

Taxation of Beneficial Owners of Regular Certificates

The Notional Class will be, and the A Class may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 9% CPR. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the Multifamily REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the Underlying REMIC will prepay at that or any other rate. See “Description of the Certificates—Weighted Average Life” herein and “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus. In addition, the A Class may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the Multifamily REMIC Prospectus.

\$230,300,000
Federal National Mortgage Association



Guaranteed ACESSM REMIC Pass-Through Certificates
Fannie Mae Multifamily REMIC Trust 1993-M1

The Guaranteed ACESSM REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in the Fannie Mae Multifamily REMIC Trust 1993-M1 (the "Trust").

The assets of the Trust will consist of (i) (A) a class of Underlying Certificates that will (1) evidence a portion of the beneficial ownership interest of a trust fund (the "Underlying Trust Fund") to be created by Merrill Lynch Mortgage Capital Inc. (the "Underlying Depositor"), and (2) be designated as the Class A Certificates of such Trust Fund (the "Underlying Class A Certificates") and (B) the proceeds of such Underlying Class A Certificates and (ii) the Trust Account (as hereinafter defined) and all cash and investments held therein. The primary assets of the Underlying Trust Fund will consist of a pool (the "Mortgage Pool") of first lien mortgage loans (each, a "Mortgage Loan") secured by multifamily projects (each, a "Mortgaged Property") consisting of five or more rental or cooperatively owned dwelling units in high-rise, mid-rise and garden apartment buildings. The Mortgage Loans and the Mortgaged Properties are more fully described herein under "Description of the Mortgage Pool."

The Certificates will be issued by Fannie Mae and guaranteed by Fannie Mae as to timely distribution of interest. Fannie Mae will also guarantee all principal to Certificateholders; however, unlike the Fannie Mae guaranty of MBS, the receipt of certain principal payments by the Certificateholders may be delayed under certain circumstances described herein. The Certificates will be offered by Fannie Mae pursuant to its Prospectus for Guaranteed Multifamily REMIC Pass-Through Certificates (the "Multifamily REMIC Prospectus"), accompanying this Prospectus Supplement.

THE CERTIFICATES MAY NOT BE SUITABLE INVESTMENTS FOR ALL INVESTORS. NO INVESTOR SHOULD PURCHASE CERTIFICATES UNLESS SUCH INVESTOR UNDERSTANDS AND IS ABLE TO BEAR THE EXTENSION, PREPAYMENT, YIELD, LIQUIDITY AND OTHER RISKS ASSOCIATED WITH SUCH CERTIFICATES. PROSPECTIVE INVESTORS IN ANY CLASS OF CERTIFICATES SHOULD CAREFULLY CONSIDER WHETHER SUCH AN INVESTMENT IS APPROPRIATE FOR THEIR INVESTMENT OBJECTIVES. SEE "DESCRIPTION OF THE CERTIFICATES" HEREIN.

Elections will be made to treat the Trust (the "Multifamily REMIC") and the Underlying Trust Fund (the "Underlying REMIC") as "real estate mortgage investment conduits" ("REMICs") pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). The R Class will represent the residual interest in the Trust and will be subject to transfer restrictions. See "Description of the Certificates—Additional Characteristics of Residual Certificates" and "Certain Federal Income Tax Consequences" in the Multifamily REMIC Prospectus, and "Description of the Certificates—Characteristics of the R Class" and "Certain Additional Federal Income Tax Consequences" herein.

(Cover continued on next page)

THE CERTIFICATES, TOGETHER WITH ANY INTEREST THEREON, ARE NOT GUARANTEED BY THE UNITED STATES. THE OBLIGATIONS OF FANNIE MAE UNDER ITS GUARANTY OF THE CERTIFICATES ARE OBLIGATIONS SOLELY OF FANNIE MAE AND DO NOT CONSTITUTE AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF OTHER THAN FANNIE MAE. THE CERTIFICATES ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933 AND ARE "EXEMPTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES EXCHANGE ACT OF 1934.

Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	Final Distribution Date
A	\$230,300,000	PT	(2)	WAC	April 2020
N	(3)	NTL	0.84%	FIX/IO	April 2020
R	0	NPR	0	NPR	April 2020

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (2) Initially, 7.81561%. The A Class will bear interest at the A Certificate Rate which will be equal to the Underlying Pass-Through Rate (as hereinafter defined under "Description of the Certificates—General—Certificate Rates") less the sum of the N Certificate Rate (as hereinafter defined under "Description of the Certificates—General—Certificate Rates") and the Fannie Mae Guaranty Rate (as hereinafter defined under "The Trust Agreement—Compensation Payable to Fannie Mae").
- (3) The N Class will be a Notional Class, will have no principal balance and will bear interest on its notional principal balance (initially \$230,300,000). The notional principal balance of the N Class will be calculated based on the principal balance of the A Class. See "Description of the Certificates—General—Notional Class" herein.

The Certificates will be offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Dealer") from time to time in negotiated transactions, at varying prices to be determined at time of sale.

The Certificates are offered by the Dealer, subject to issuance by Fannie Mae and receipt and acceptance by the Dealer, and subject to the Dealer's right to reject any order in whole or in part. It is expected that the Certificates, except for the R Class, will be available through the book-entry system of the Federal Reserve Banks on or about September 28, 1993 (the "Settlement Date"). It is expected that the R Class in registered, certificated form will be available for delivery at the offices of the Dealer, New York, New York on or about the Settlement Date.

Merrill Lynch & Co.

September 24, 1993.

The yield to investors in each Class of Certificates will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans actually included in the Mortgage Pool, and the purchase price paid for the related Class. Accordingly, investors should consider the following risks:

- Subject to certain restrictions (including prepayment lockout periods and/or the imposition of Prepayment Premiums (as hereinafter defined)) on Principal Prepayments (as hereinafter defined), Mortgage Loans generally may be prepaid prior to their stated maturities. Accordingly, the rate of principal payments on such Mortgage Loans may vary considerably from time to time.
- Certain of the Mortgage Loans provide for one or, in certain cases, more than one adjustment to their Mortgage Interest Rates (as hereinafter defined).
- Slight variations in Mortgage Loan characteristics could substantially affect the weighted average lives and yields of some or all of the Classes.
- In the case of any Certificates purchased at a discount to their principal amounts, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Interest Only Class, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.
- In the case of any Interest Only Class, the allocation to such Class of any Prepayment Premium may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding Principal Prepayment.
- The Underlying Pooling and Servicing Agreement (as hereinafter defined) permits the modification (including an extension) of a Mortgage Loan under certain circumstances. Any extension of a Mortgage Loan is likely to cause an extension of the expected weighted average life of a Certificate. In addition, failure of a Mortgagor to timely make a Balloon Payment (as hereinafter defined) is also likely to cause an extension of the expected weighted average life of a Certificate.

For a more detailed description of the characteristics of the Mortgage Loans that may affect yield, see “Yield Considerations” herein.

In addition, investors should purchase Certificates only after considering the following:

- The actual final payment of any Class may occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Life” herein and “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “Yield Considerations—Reinvestment Risk” in the Multifamily REMIC Prospectus and “Description of the Certificates—Yield Considerations” herein.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See “Legal Investment Considerations” in the Multifamily REMIC Prospectus.

The Dealer intends to make a market for the Certificates but is not obligated to do so. There can be no assurance that a secondary market will develop for the Certificates or, if developed, that it will continue. Thus, investors may not be able to sell their Certificates readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Certificates unless such investor understands and is able to bear the risk that the value of the Certificates will fluctuate over time and that the Certificates may not be readily salable.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus Supplement or the Multifamily REMIC Prospectus. Any representation to the contrary is a criminal offense.

This Prospectus Supplement does not contain complete information about the Certificates. Investors should purchase Certificates only after reading this Prospectus Supplement, the Multifamily REMIC Prospectus and the Fannie Mae Information Statement dated February 16, 1993 and any supplements thereto (the “Information Statement”). The Information Statement is incorporated herein by reference and may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-2N, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-7547). Such documents may also be obtained from Merrill Lynch, Pierce, Fenner & Smith Incorporated by writing or calling its Prospectus Department at 4 Corporate Place, Corporate Park 287, Piscataway, New Jersey 08855 (telephone 908-878-6526).

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DESCRIPTION OF THE CERTIFICATES

The summaries below describing certain provisions of the Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the Multifamily REMIC Prospectus and the provisions of the Trust Agreement (as defined below). In addition, the summary description below of certain aspects of the Underlying Certificates do not purport to be complete and are subject to, and qualified in their entirety by reference to, the Underlying Pooling and Servicing Agreement. Capitalized terms used and not otherwise defined in this Prospectus Supplement have the respective meanings assigned to such terms in the Multifamily REMIC Prospectus (including the Glossary contained therein), the Glossary to this Prospectus Supplement (the “Glossary”), the Trust Agreement or the Underlying Pooling and Servicing Agreement (as the context may require).

General

Structure of the Trust. The Trust will be created pursuant to a trust agreement dated as of September 1, 1993 (the “Trust Agreement”), executed by the Federal National Mortgage Association (“Fannie Mae”) in its corporate capacity and in its capacity as Trustee, and the Certificates in the Classes and aggregate original principal balances set forth on the cover hereof will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

The Certificates (other than the R Class) will be designated as the “regular interests” (the “Regular Interests”), and the R Class will be designated as the “residual interest” (the “Residual Interest”) in the Multifamily REMIC constituted by the Trust.

The assets of the Trust will consist of (i) the Underlying Class A Certificates and all proceeds thereof and (ii) the Trust Account and all cash and investments held therein. The Regular Interests and the Residual Interest will evidence in the aggregate the entire beneficial ownership interest in the distributions of principal and interest on the Underlying Class A Certificates. See “—Structure of the Underlying Trust Fund” below.

Underlying Certificate Distributions. Principal and interest on the underlying Mortgage Loans in which the Underlying Certificates represent a beneficial ownership interest will be passed through to the holders of Underlying Certificates (“Underlying Certificateholders” or “Underlying Holders”) monthly on the 25th day of each month (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day), commencing in the month following the Settlement Date.

Fannie Mae’s Guaranty. Fannie Mae will not guarantee the Underlying Class A Certificates or the timely payment of Balloon Payments (as hereinafter defined) on the stated maturity dates of the related Balloon Mortgage Loans (as hereinafter defined), but Fannie Mae will guarantee the payment, on each Distribution Date, to Holders of the A Class and the N Class of the amount of their respective Interest Distribution Amounts, and to the Holders of the A Class, the Principal Distribution Amount, whether or not sufficient funds are available therefor in the Trust Account. See “—Distributions of Interest—*Interest Distribution Amount*” and “—Distributions of Principal—*Principal Distribution Amount*” herein. In the case of defaulted Balloon Payments, the related Balloon Mortgage Loan will be treated as a Mortgage Loan that amortizes in accordance with its prior amortization schedule, if any, and Certificateholders will be entitled to distributions in respect of a deemed payment (*i.e.*, an Assumed Payment) that is generally equal to the prior scheduled principal (if any) and interest payments. See “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest—Treatment of REO Properties*.” Fannie Mae will be obligated to distribute the principal balance of the A Class Certificates in full no later than the Final Distribution Date, whether or not sufficient funds are available in the Trust Account. If Fannie Mae were unable to perform these guaranty obligations, distributions to Certificateholders would consist solely of distributions on the Underlying Class A Certificates and, accordingly, delinquencies and defaults with respect to the Mortgage Loans could affect monthly distributions to Certificateholders. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. In addition, Fannie Mae will not guarantee the collection of any Prepayment Premiums. See “—Allocation of Prepayment

Premiums.” See “Description of the Certificates—Fannie Mae’s Guaranty” in the Multifamily REMIC Prospectus.

Characteristics of Certificates. The Certificates, other than the R Certificate, will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks. When used herein with respect to Certificates (other than the R Certificate), the terms “Holders” and “Certificateholders” refer to such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts such Certificates have been deposited. A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Book-Entry Form” in the Multifamily REMIC Prospectus.

The R Certificate will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R Certificate will be transferable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York. The Transfer Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts (“State Street”). A service charge may be imposed for any registration of transfer of the R Certificate and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “Characteristics of the R Class” herein.

The distribution to the Holder of the R Certificate of the proceeds of any remaining assets of the Trust will be made only upon presentation and surrender of the R Certificate at the office of the Paying Agent (initially State Street).

Notional Class. The N Class will be a Notional Class. A Notional Class will have no principal balance and will bear interest at the per annum interest rate set forth on the cover or described herein during each Interest Accrual Period on the related notional principal balance. The notional principal balance of any Notional Class will be equal to the indicated percentage of the outstanding principal balance of the following Class immediately prior to the related Distribution Date.

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class</u>
N	100% of A Class

The notional principal balance of a Notional Class is used for purposes of the determination of interest distributions thereon and does not represent an interest in the principal distributions of the Underlying Class A Certificates or the underlying Mortgage Loans. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to any such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the notional principal balance of any Notional Class.

Authorized Denominations. The Certificates, other than the R Certificate, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The R Class will be issued as a single certificate and will not have a principal balance.

Distribution Dates. Distributions on the Certificates will be made on the 25th day of each month or, if such 25th day is not a business day, on the first business day next succeeding such 25th day (each, a “Distribution Date”), commencing in the month following the Settlement Date. Distributions on the Underlying Certificates also will be made on the Distribution Date and the term “Distribution Date” also will be used herein to denote the date on which distributions are scheduled to be made on the Underlying Certificates.

Certificate Rates. The rate at which interest will accrue on the A Class (the “A Certificate Rate”) for each Distribution Date will be equal to (i) the Underlying Pass-Through Rate minus (ii) the sum of the N Certificate Rate and the Fannie Mae Guaranty Rate. The initial A Certificate Rate is 7.81561%. The “Underlying Pass-Through Rate” is the rate at which interest accrues on the Underlying Certificates (other

than the Underlying Class R Certificate) for each Due Period and is equal to the Weighted Average Net Mortgage Interest Rate for such Due Period.

The “Weighted Average Net Mortgage Interest Rate” for any Distribution Date is the rate per annum equal to the weighted average, expressed as a percentage and rounded to five decimal places, of the respective Net Mortgage Interest Rates in effect for the Mortgage Loans and REO Loans during the related Due Period, weighted on the basis of the Stated Principal Balance of such Mortgage Loans and REO Loans outstanding as of the immediately preceding Distribution Date.

The “Net Mortgage Interest Rate” for any Mortgage Loan or REO Loan, as of any date of termination, will be the rate per annum equal to (i) the applicable Mortgage Interest Rate without regard to any modification thereof made in connection with a bankruptcy proceeding or in connection with a default or a threatened default minus (ii) the sum of the Servicing Fee Rate and the Underlying Trustee Fee Rate.

The “Due Period” with respect to the Underlying Certificates and any Distribution Date is the period commencing on the second day of the month preceding the month in which such Distribution Date occurs and ending on the first day of the month in which such Distribution Date occurs. See “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest*” and the “Glossary.”

The rate at which interest accrues on the N Class (the “N Certificate Rate”) for each Distribution Date will be equal to 0.84% per annum.

Calculation of Distributions. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing in the month after the Settlement Date. Interest to be distributed on each interest-bearing Certificate on a Distribution Date will consist of one month’s (*i.e.*, 30 days’) interest on the outstanding principal balance of such Class immediately prior to such Distribution Date. See “Distributions of Interest” herein. Principal on the A Class Certificates will be distributed on each Distribution Date in an amount equal to the Principal Distribution Amount. See “Distributions of Principal” herein.

Record Date. Each monthly distribution on the Certificates will be made to Holders of record on the last day of the immediately preceding month.

REMIC Trust Factors. As soon as practicable following the eleventh calendar day of each month, Fannie Mae will publish or otherwise make available for each Class of Certificates the factor (carried to eight decimal places) which in the case of each such Class, when multiplied by the original principal balance of a Certificate of such Class, will be equal to the amount of principal remaining to be distributed with respect to such Certificate after giving effect to the distribution of principal to be made on the following Distribution Date.

Optional Termination. Fannie Mae has the right to effect an early termination of the Trust through its right to repurchase the Underlying Class A Certificates at any time that the principal balance of such certificates is less than five percent of the original principal balance thereof. See “The Trust Agreement—Termination.” There may also be an early termination of the Trust in the event the Underlying Servicer or Underlying Depositor effects the retirement of the Underlying Certificates by exercising its right to purchase the Mortgage Loans and the REO Properties in the Underlying Trust Fund at any time when the principal balance of such Mortgage Loans and the value of such REO Properties is less than five percent of the Initial Mortgage Pool Balance (as hereinafter defined). See “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Termination*.”

Structure of the Underlying Trust Fund

General

The Underlying Trust Fund will be created pursuant to a pooling and servicing agreement, dated as of September 1, 1993 (the “Underlying Pooling and Servicing Agreement”), among Merrill Lynch Mortgage Capital Inc., as depositor (the “Underlying Depositor”), The Travelers Insurance Company, as master

servicer (the “Underlying Servicer”) and State Street Bank and Trust Company, as trustee (the “Underlying Trustee”). The Travelers Realty Investment Company, a wholly-owned subsidiary of the initial Underlying Servicer, may perform some or all of the servicing on behalf of The Travelers Insurance Company.

The assets of the Underlying Trust Fund will consist generally of (i) the Mortgage Loans and all payments under and proceeds of the Mortgage Loans received after the Cut-off Date (exclusive of payments of principal and interest due on or before the Cut-off Date), (ii) the Mortgage Notes, Mortgages and certain other documents related to the Mortgage Loans, (iii) any Mortgaged Property acquired on behalf of the Underlying Trust Fund through foreclosure or deed in lieu of foreclosure (upon acquisition, an “REO Property”) and (iv) the rights of the mortgagee under all insurance policies with respect to the Mortgage Loans. The entire beneficial ownership interest in the Underlying Trust Fund will be evidenced by the “Underlying Certificates” consisting of the Underlying Class A Certificates and the other Classes thereof designated as Class B Certificates (“Underlying Class B Certificates”), Class C Certificates (“Underlying Class C Certificates”) and Class R Certificate (“Underlying Class R Certificate”) which are not offered hereby or guaranteed by Fannie Mae.

A REMIC election will be made with respect to the Underlying Trust Fund. The Underlying Certificates (other than the Underlying Class R Certificate) will evidence the “regular interests” (the “Underlying REMIC Regular Interests”), and the Underlying Class R Certificate will evidence the sole class of “residual interests” (the “Underlying REMIC Residual Interests”), in the Underlying REMIC. The Underlying Certificates that evidence the Underlying REMIC Regular Interests are herein referred to from time to time as the “Underlying REMIC Regular Certificates.” See “Description of the Underlying Trust Fund” herein.

The Mortgage Pool

The “Cut-off Date” for the Mortgage Pool is September 1, 1993. There are 103 Mortgage Loans in the Mortgage Pool and the aggregate unpaid principal balance thereof as of the Cut-off Date (the “Initial Mortgage Pool Balance”) is \$258,764,596, after application of all payments of principal due on or before the Cut-off Date, whether or not received. Each Mortgage Loan is evidenced by a note, bond or other evidence of indebtedness (a “Mortgage Note”) and is secured by a first mortgage, deed of trust or other similar security instrument (each, a “Mortgage”) on a multifamily project (each, a “Mortgaged Property”) consisting of five or more rental or cooperatively owned dwelling units. Seventy-three of the Mortgage Loans, which represent 76.7% of the Initial Mortgage Pool Balance, bear interest at rates (each, a “Mortgage Interest Rate”) that are fixed for the remainder of their terms (each, a “Fixed Rate Mortgage Loan”), twenty-six of the Mortgage Loans, which represent 22.3% of the Initial Mortgage Pool Balance, bear interest at Mortgage Interest Rates that are subject to a one-time adjustment following the Cut-off Date (each, a “Resetable Rate Mortgage Loan”) and four of the Mortgage Loans, which represent 1.0% of the Initial Mortgage Pool Balance, bear interest at Mortgage Interest Rates that are subject to periodic adjustments following the Cut-off Date (each, an “ARM Mortgage Loan”). Ninety-one of the Mortgage Loans, which represent 97.9% of the Initial Mortgage Pool Balance, provide either for no amortization prior to stated maturity or for monthly payments of principal based on amortization schedules significantly longer than the remaining terms of such Mortgage Loans (each, a “Balloon Mortgage Loan”), thereby leaving in either case substantial principal amounts then due and payable (each, a “Balloon Payment”) on their respective maturity dates.

All scheduled payments of principal and/or interest under the Mortgage Loans will be due on the first day of each month (each, a “Due Date”). See “The Series Trust—The Mortgage Pools” in the Multifamily REMIC Prospectus and “Description of the Mortgage Pool” herein.

The Underlying Class A Certificates and the Mortgage Loans

The Underlying Class A Certificates initially will have an aggregate unpaid principal balance of \$230,300,000 (the initial “Underlying Class A Balance”), an initial Underlying Pass-Through Rate of 8.656% per annum and the other general and detailed characteristics described in the Multifamily REMIC Prospectus and under “Description of the Underlying Trust Fund—Description of the Underlying Certificates” herein, respectively. The Mortgage Loans will be Fixed Rate Mortgage Loans, Resetable Rate Mortgage Loans and

ARM Mortgage Loans. The Mortgage Loans will have the characteristics described under “The Series Trust—The Mortgage Pools” and “Yield Considerations” in the Multifamily REMIC Prospectus and “Description of the Mortgage Pool” and “Description of the Certificates—Yield Considerations” herein. The characteristics of the Underlying Class A Certificates and Mortgage Loans as of the Cut-off Date are expected to be as follows:

Aggregate Unpaid Principal Balance of the Underlying Class A Certificates	\$230,300,000
Aggregate Unpaid Principal Balance of the Mortgage Loans	258,764,596
Underlying Pass-Through Rate	9.00961%
Range of Mortgage Interest Rates	7.0 to 12.5%
WAC	9.20161%
Range of Remaining Terms to Maturity (in months)	26 to 319
WAM (in months)	56

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the Underlying Class A Balance. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Underlying Class A Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes. For the purpose of payments of interest, the Classes will be categorized as follows:

<u>Interest Type*</u>	<u>Class</u>
Fixed Rate	N
Weighted Average Coupon	A
Interest Only	N
No Payment Residual	R

* See “Description of the Certificates—Class Definitions and Abbreviations” in the Multifamily REMIC Prospectus.

General; Interest Accrual Period. The interest-bearing Certificates will bear interest at the respective per annum interest rates described on the cover and set forth under “—General—*Certificate Rates*” herein. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing in the month after the Settlement Date. Interest to be distributed on each interest-bearing Certificate on a Distribution Date will be the interest accrued for the calendar month prior to the month in which such Distribution Date occurs (the “Interest Accrual Period”).

Interest Distribution Amount. The interest to be distributed on each Distribution Date with respect to each interest bearing Class of Certificates is an amount equal to 30 days’ interest at the Certificate Rate applicable to such Class of Certificates, accrued during the Interest Accrual Period immediately preceding such Distribution Date on the outstanding principal balance of the related Class on the day immediately preceding such Distribution Date (the “Interest Distribution Amount”).

Distributions of Principal

Categories of Classes. For the purpose of payments of principal, the Classes will be categorized as follows:

<u>Principal Type*</u>	<u>Class</u>
Pass-Through	A
Notional	N
No Payment Residual	R

* See “Description of the Certificates—Class Definitions and Abbreviations” in the Multifamily REMIC Prospectus.

Principal Distribution Amount. On each Distribution Date, principal will be distributed monthly on the A Class in an amount (the “Principal Distribution Amount”) generally equal to the sum of (i) the Underlying Class A Principal Distribution Amount, (ii) the Underlying Realized Losses allocated to the Underlying Class A Certificates and (iii) the Extraordinary Underlying Trust Fund Expenses allocated to the Underlying Class A Certificates, in each case in respect of or on such Distribution Date.

With respect to any Distribution Date, the Underlying Class A Principal Distribution Amount is generally equal to a percentage (the “Underlying Class A Principal Distribution Percentage”) of (i) the scheduled payments of principal due on a monthly basis on the Mortgage Loans in accordance with the terms of the respective related Mortgage Notes (other than Balloon Payments) and (ii) with respect to each Balloon Mortgage Loan as to which there has been a default in the payment of the Balloon Payment, the principal portion of any Assumed Payment determined as though the Balloon Mortgage Loan were still amortizing in accordance with its prior amortization schedule, if any. In addition, the Underlying Class A Principal Distribution Amount includes, where applicable, (i) the Underlying Class A Principal Distribution Percentage of (A) all Principal Prepayments made by or on behalf of the Mortgagors and (B) all Balloon Payments actually received, net of the principal portion of any related Assumed Payments referred to in the preceding sentence and (ii) such other amounts as are set forth in the definition of Underlying Class A Principal Distribution Amount in the Glossary. The Underlying Class A Principal Distribution Percentage will equal 100% until the percentage interest of the Underlying Class A Holders in the Underlying Trust Fund (initially 89%) is equal to 67% and thereafter generally will be the percentage interest of the Underlying Class A Holders in the Underlying Trust Fund. However, in the event the percentage interest of the Underlying Class A Holders in the Underlying Trust Fund should thereafter become greater than or equal to 70%, the Underlying Class A Principal Distribution Percentage will shift up to 100% until there is again a reduction of the Underlying Class A Holders’ percentage interest in the Underlying Trust Fund to 67%. Such percentage interest is generally determined by comparing the Underlying Class Balance of the Underlying Class A Certificates to the principal balance of the Mortgage Loans. See the “Glossary.”

The 100% allocation of principal described above is intended to more quickly repay principal to the holders of Underlying Class A Certificateholders (“Underlying Class A Holders” or “Underlying Class A Certificateholders”) and at the same time increase the relative level of subordination provided by the Underlying Subordinate Certificates (as hereinafter defined), thereby providing additional protection for the Underlying Class A Certificateholders against losses. See “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Allocation of Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses*” and “—*Distributions of Principal and Interest*” and the “Glossary.” All principal of the A Class will be paid on or before the Final Distribution Date.

Allocation of Prepayment Premiums

In the event a Mortgagor is required to pay any premium, penalty or fee in connection with a Principal Prepayment (a “Prepayment Premium”), the amount of such premium collected will be distributed in respect of the Underlying Class A Certificates. The Holders of the N Class will be entitled to receive any amount of such Prepayment Premiums so distributed. Fannie Mae does not guarantee that any Prepayment Premiums due under any Mortgage Loan will in fact be collected. A “Principal Prepayment” is any payment of principal made by the Mortgagor on a Mortgage Loan which is received in advance of its scheduled Due Date and which is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment.

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified, the information in the following two tables titled “Sensitivity of the N Class to Prepayments” set forth herein under “Yield Considerations” and “Percent of Original Principal Balances Outstanding” set forth herein under “Decrement Table” was determined on the basis of the following assumptions (the “Pricing Assumptions”):

(i) scheduled interest and principal payments on the Mortgage Loans are received in a timely manner and prepayments are made at the indicated CPRs;

(ii) neither the Underlying Depositor nor the Underlying Servicer exercises its right of optional termination of the Underlying Trust Fund described herein and Fannie Mae does not exercise its right of optional termination of the Trust Fund as described herein;

(iii) each Mortgage Loan has the characteristics set forth on Exhibit A, provided that with respect to three Mortgage Loans, representing 2.1% of the Initial Mortgage Pool Balance, the table reflects certain simplifying assumptions identified in Exhibit A;

(iv) in the case of any Resettable Rate Mortgage Loan and of any ARM Mortgage Loan, any provisions for rounding the Mortgage Interest Rate set forth in the related Mortgage Note are not utilized;

(v) the Indices applicable to determining adjustments to the Mortgage Interest Rates on the Resettable Rate Mortgage Loans and the ARM Mortgage Loans do not change from certain recent Index values (*i.e.*, 6.00% for the Citibank “base rate,” 5.20% for the FHLBNY Advance Rate and 4.80% for the Five Year CMT Rate);

(vi) each Distribution Date occurs on the 25th day of each month;

(vii) there are no losses or delinquencies on the Mortgage Loans;

(viii) the Settlement Date of the Certificates is September 28, 1993;

(ix) the first Distribution Date on the Certificates is October 25, 1993;

(x) the Due Date for each Mortgage Loan is the first day of each month; and

(xi) all Mortgage Loans accrue interest on the basis of a 30 day month, 360 day year.

CPR Assumptions. Prepayments on mortgage loans may be measured by a prepayment standard or model. The model used herein is the “Constant Prepayment Rate” or “CPR” model. The CPR model represents an assumed constant annual rate of prepayment each month, expressed as a per annum percentage of the then scheduled principal balance of the pool of mortgage loans. It is unlikely, however, that prepayments of the Mortgage Loans will conform to any level of CPR, and no representation is made that the Mortgage Loans will prepay at the CPRs shown in the tables set forth below under “Yield Considerations” and “Decrement Table” or at any other prepayment rate. See “—Yield Considerations” and “—Decrement Table” herein and “Yield Considerations” and “Maturity and Prepayment Considerations and Risks” in the Multifamily REMIC Prospectus.

Yield Considerations

Delay in Payment of Distributions. The yield on the Certificates will be less than the yield that would otherwise be produced by the applicable Certificate Rate and the applicable purchase prices because the distribution of interest that accrues from the first day of each month will not be made until the twenty-fifth day of the following month.

The A Class. The yield on the A Class will depend on the price paid by the Holder thereof, the Certificate Rate borne by such Certificate from time to time and the rate and timing of principal payments made thereon. The rate and timing of principal payments on the A Class will be directly related to the rate and timing of principal payments (including Principal Prepayments) on the Mortgage Loans and to the entitlement of the Underlying Class A Certificateholders to a disproportionately large share of such principal payments during certain periods as described herein under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—Calculations of Principal.” The rate of principal payments on the Mortgage Loans will in turn be affected by the amortization schedules thereof, the dates on which Balloon Payments are due, and the rate of Principal Prepayments thereon (including for this purpose, prepayments resulting from liquidations of Mortgage Loans due to defaults, casualties or condemnations affecting the

Mortgaged Properties, or purchases of Mortgage Loans out of the Underlying Trust Fund). Prepayments and, assuming the Mortgage Loan stated maturity dates have not occurred, liquidations and purchases of the Mortgage Loans, will result in distributions on the Certificates of amounts that would otherwise be distributed over the remaining terms of the Mortgage Loans.

The rate of Principal Prepayments on mortgage loans is influenced by a variety of economic, geographic, social and other factors, including the level of mortgage interest rates and the rate at which mortgagors default on their mortgages. In general, if prevailing interest rates fall significantly below the Mortgage Interest Rates on the Mortgage Loans, the Mortgage Loans are likely to be subject to a higher incidence of prepayment than if prevailing rates remain at or above the Mortgage Interest Rates on the Mortgage Loans. Because the rate of principal payments on the Mortgage Loans will depend on future events and a variety of factors, no assurance can be given as to such rate or to the rate of Principal Prepayments in particular. Accordingly, prospective investors are urged to conduct their own analyses of the rates at which the Mortgage Loans may be expected to prepay.

The extent to which the yield to maturity of the A Class may vary from the anticipated yield will depend upon the degree to which such Certificates are purchased at a discount or premium and when, and to what degree, payments of principal on the Mortgage Loans are in turn distributed to the Underlying Class A Certificates. Further, an investor should consider, in the case of any Certificate purchased at a discount, the risk that a slower than anticipated rate of principal payments on the Mortgage Loans could result in an actual yield to such investor that is lower than the anticipated yield and, in the case of any Certificate purchased at a premium, the risk that a faster than anticipated rate of principal payments could result in an actual yield to such investor that is lower than the anticipated yield.

The timing of changes in the rate of prepayments may significantly affect the actual yield to maturity to investors, even if the average rate of Principal Prepayments is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans, the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of Principal Prepayments occurring at a rate or level higher (or lower) than the rate or level anticipated by the investor during the period immediately following the issuance of the Certificates will not be offset by a subsequent like reduction (or increase) in the rate of Principal Prepayments. For a description of the prepayment provisions of the Mortgage Loans, see "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*."

The N Class. The yield on the N Class will depend primarily on (i) the N Certificate Rate (which is fixed at 0.84% per annum), (ii) the price paid for such Certificates, (iii) the aggregate amount and timing of distributions in respect of principal of the A Class and (iv) the aggregate amount and timing of distributions of collected Prepayment Premiums to the N Class.

The N Class has no principal balance, but represents the right to receive on each Distribution Date distributions of interest accrued on the aggregate notional principal balance thereof outstanding immediately prior to such Distribution Date. The aggregate notional principal balance of the N Class as of any date of determination will equal the principal balance of the A Class as of such date which, as described herein, will be reduced by distributions made thereon allocable to principal. Accordingly, the yield to Holders of the N Class will be especially sensitive to the rate and timing of principal payments on the A Class, which may fluctuate significantly from time to time. In general, the more quickly the A Class is retired, the greater will be the negative effect on the yield of the N Class, and prospective investors in the N Class should fully consider the associated risks, including the risk that they may not fully recover their initial investment.

As described above, any Prepayment Premiums actually received will be allocated to the N Class. See "Description of the Certificates—Allocation of Prepayment Premiums." Such allocation may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding Principal Prepayment.

The table set forth below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the N Class to various constant percentages of CPR. The yields set forth in the table were

calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on such Class, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered.

As indicated in the table below, the yields to investors in the N Class will be sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans. On the basis of the assumptions described below, the yield to maturity on the N Class would be 0% if prepayments were to occur at constant rates of approximately 11.75% CPR. If the actual prepayment rate of the Mortgage Loans were to exceed the foregoing levels for as little as one month while equaling such level for the remaining months, the investors in the N Class would not fully recoup their initial investments. The columns in the table below headed “0%”, “3%”, “6%”, “9%”, “12%” and “15%”, assume that prepayments on the Mortgage Loans are made at those CPRs. There can be no assurance that the Mortgage Loans will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as assumed below.

The information set forth in the following sensitivity table was prepared on the basis of the Pricing Assumptions but does not assume either the receipt of any Prepayment Premiums or the existence of any lockout periods under the terms of the Mortgage Loans. In addition, the table assumes that the aggregate purchase price of the N Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
N	2.5%

* The price does not include accrued interest. Accrued interest has been added to such price in calculating the yields set forth in the table below.

Sensitivity of the N Class to Prepayments (Pre-Tax Yields to Maturity)

<u>Class</u>	<u>CPR Prepayment Assumption</u>					
	<u>0%</u>	<u>3%</u>	<u>6%</u>	<u>9%</u>	<u>12%</u>	<u>15%</u>
N	14.5%	10.9%	7.4%	3.7%	(0.3)%	(4.0)%

See generally “Yield Considerations” in the Multifamily REMIC Prospectus.

Weighted Average Life

The weighted average life of a Certificate is determined by (a) multiplying the amount of the reduction, if any, of the principal balance of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in principal balance of such Certificate referred to in clause (a). For a description of the factors which may influence the weighted average life of a Certificate, see “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments and the amount and percentage of principal distributions allocable to the Certificates at different times. The Underlying Pooling and Servicing Agreement permits Modifications (as hereinafter defined), including extensions, of the Mortgage Loans under certain circumstances. Any extension of a Mortgage Loan is likely to cause an

extension of the weighted average life of a Certificate. In addition, failure of a Mortgagor to timely make a Balloon Payment is also likely to cause an extension of the expected weighted average lives of the Certificates.

The interaction of the foregoing factors may have an effect on the Certificates at different times during the life of the Certificates. Accordingly, no assurance can be given as to the weighted average life of any Class. Further, to the extent the price of a Certificate represents discounts or premiums to its respective original principal balance, variability in the weighted average life of a Certificate could result in variability in its related yield to maturity. For an example of how the weighted average life of a Certificate may be affected at various *constant* prepayment rates, see the Decrement Table below.

Decrement Table

The following table indicates the percentages of original principal balance of the specified Classes that would be outstanding after each of the dates shown at various *constant* CPR levels and the corresponding weighted average lives of such Classes. It is unlikely, however, that prepayments of the Mortgage Loans will conform to any level of CPR, and no representation is made that the Mortgage Loans will prepay at the CPRs shown or at any other prepayment rate. The table has been prepared on the basis of the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A and N† Classes					
	CPR Prepayment Assumption					
	0%	3%	6%	9%	12%	15%
Initial Percent	100	100	100	100	100	100
September 1994	98	95	92	88	85	82
September 1995	97	90	84	78	72	66
September 1996	87	78	70	62	55	48
September 1997	41	35	29	24	20	18
September 1998	16	13	12	10	8	7
September 1999	9	7	6	5	4	3
September 2000	3	3	2	2	1	1
September 2001	1	1	1	*	*	*
September 2002	1	1	1	*	*	*
September 2003	1	1	*	*	*	*
September 2004	1	1	*	*	*	*
September 2005	1	1	*	*	*	*
September 2006	1	*	*	*	*	*
September 2007	1	*	*	*	*	*
September 2008	1	*	*	*	*	*
September 2009	1	*	*	*	*	*
September 2010	1	*	*	*	*	*
September 2011	*	*	*	*	*	*
September 2012	*	*	*	*	*	*
September 2013	*	*	*	*	*	*
September 2014	*	*	*	*	*	*
September 2015	*	*	*	*	*	*
September 2016	*	*	*	*	*	*
September 2017	*	*	*	*	*	*
September 2018	*	*	*	*	*	*
September 2019	*	*	*	*	*	*
September 2020	0	0	0	0	0	0
Weighted Average Life (years)**	4.2	3.8	3.6	3.3	3.0	2.8

† In the case of the Notional Class, the Decrement Table indicates the percentages of the original notional principal balance outstanding.

* Indicates an outstanding principal balance greater than 0% and less than 0.5% of the original principal balance.

** Determined as described under “—Weighted Average Life” above.

Characteristics of the R Class

The R Certificate will not have a principal balance and will not bear interest. The Holder of the R Certificate will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes have been reduced to zero, Fannie Mae is reimbursed for all amounts due and owing to it in respect of its guaranty and of performance of its administrative duties under the Trust Agreement, as described under “The Trust Agreement—Compensation Payable to Fannie Mae,” and all reasonable and customary costs and expenses of the Trust have been paid in full. It is not anticipated that there will be any material assets remaining in the Trust after payment of the foregoing items.

The R Certificate will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of the R Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of the R Certificate will be allowed to any person that is not a “U.S. Person” without the written consent of Fannie Mae. Under regulations issued by the Treasury Department on December 23, 1992 (the “Regulations”), a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R Certificate will constitute a noneconomic residual interest under the Regulations. Any transferee of the R Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the Multifamily REMIC Prospectus. A transferor of the R Certificate should consult with its own tax advisors for further information regarding such transfers.

The Holder of the R Certificate will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust. See “Certain Federal Income Tax Consequences” in the Multifamily REMIC Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holder (i) such information as is necessary to enable it to prepare its federal income tax returns and (ii) any reports regarding such Certificate that may be required under the Code.

THE TRUST AGREEMENT

Transfer of Underlying Class A Certificates to the Trust

On or prior to the Settlement Date, Fannie Mae, acting in its corporate capacity, will assign to Fannie Mae, acting in its capacity as Trustee for the Trust, and for the benefit of Certificateholders, all of Fannie Mae’s right, title and interest in and to the Underlying Class A Certificates, including all payments of principal and interest thereon, provided that Fannie Mae, in its corporate capacity, has expressly reserved exclusively for itself certain voting and consent rights granted to the registered holders of Underlying Class A Certificates under the Underlying Pooling and Servicing Agreement, as described under “Voting by Fannie Mae Under the Underlying Pooling and Servicing Agreement” below.

Compensation Payable to Fannie Mae

Monthly on each Distribution Date, Fannie Mae will be entitled to withdraw from the Trust Account, as compensation for its activities and obligations (including its guaranty) under the Trust Agreement, an amount equal to 30 days’ interest accrued at 0.354% per annum (the “Fannie Mae Guaranty Rate”) on the Underlying Class A Balance as of the immediately preceding Distribution Date, together with any such amount remaining unpaid from any prior Distribution Date.

Voting by Fannie Mae Under the Underlying Pooling and Servicing Agreement

The Underlying Certificateholders have been granted and allocated certain voting rights under the Underlying Pooling and Servicing Agreement (the “Underlying Voting Rights”).

Ninety-nine percent of the Underlying Voting Rights have been allocated to Underlying Certificateholders, other than holders of the Underlying Class R Certificates (the “Underlying Class R Certificateholders” or “Underlying Class R Holders”), in accordance with their respective Underlying Class Balances and 1% of the Underlying Voting Rights have been granted to the Underlying Class R Holders. Fannie Mae, in its corporate capacity and in partial consideration for its guaranty obligations under the Trust Agreement, will have the right to exercise or refrain from exercising all of the Underlying Voting Rights allocated to the Underlying Class A Certificates (including, without limitation, with respect to amendments to the Underlying Pooling and Servicing Agreement), provided that it is not in default of its guaranty obligations under the Trust Agreement. Because the Underlying Voting Rights initially allocated to the Underlying Class A Certificates constitute approximately 88% of the Underlying Voting Rights and are expected to continue to constitute at least a majority of the Underlying Voting Rights, Fannie Mae will control all decisions under the Underlying Pooling and Servicing Agreement that require the consent or approval of Underlying Certificateholders, or permit direction of the Underlying Servicer or Underlying Trustee, by Underlying Certificateholders, that possess a majority of the Underlying Voting Rights. These decisions include, among others, whether (i) to seek from the Internal Revenue Service an extension of the permitted two-year holding period for REO Property, (ii) to consent to certain modifications, waivers or amendments of a Mortgage Loan which would not otherwise be permitted under the Underlying Pooling and Servicing Agreement, (iii) to waive an event of default under the Underlying Pooling and Servicing Agreement and, thereby, prevent a termination of the Underlying Servicer or (iv) to remove the Underlying Trustee.

In addition, at any time that the Underlying Class A Balance exceeds the Assigned Asset Value of all of the Mortgage Loans and REO Loans (an “Underlying Class A Control Period”), Fannie Mae, as the “Majority Underlying Class A Voteholder” under the Underlying Pooling and Servicing Agreement will have certain additional voting rights, including the right, but not the obligation, (i) to direct the Underlying Servicer in all decisions relating to the servicing and enforcement of the Mortgage Loans, (ii) in the case of a Mortgage with on a due-on-sale clause, to approve any transferee of the related Mortgaged Property, (iii) to consent to allowance of any subordinate financing, (iv) to release a Mortgaged Property from the lien of the related Mortgage in the event of the existence of certain environmental conditions with respect to such Mortgaged Property, (v) to evaluate and determine the advisability of certain extensions to Mortgage Loans and (vi) to consent to Modifications to defaulted Mortgage Loans and the Modification of a Mortgagor’s obligation to pay any Prepayment Premium.

See “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans*” and “—*Amendment*.”

Termination

Pursuant to the Trust Agreement, Fannie Mae, in its corporate capacity, is entitled to purchase all of the Underlying Class A Certificates and effect an early termination of the Trust at any time that the aggregate Underlying Class A Balance is less than five percent of the original Underlying Class A Balance, for a purchase price equal to the outstanding principal balance of the A Class plus all accrued interest remaining unpaid thereon with respect to the A Class Certificates and all accrued and unpaid interest on the N Class Certificates. There also may be an early termination of the Trust in the event the Underlying Servicer or the Underlying Depositor purchases the Mortgage Loans and any REO Properties in the Underlying Trust Fund. See “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Termination*.”

DESCRIPTION OF THE UNDERLYING TRUST FUND

Description of the Underlying Certificates

General

The Underlying Certificates will represent in the aggregate the entire beneficial ownership in the Underlying Trust Fund. The principal assets of the Underlying Trust Fund are the Mortgage Loans in the Mortgage Pool. See “Description of the Certificates—Structure of the Underlying Trust Fund—*General*.”

The initial Underlying Class A Balance will be \$230,300,000, representing 89% of the Initial Mortgage Pool Balance; and the initial Underlying Class B Balance and the initial Underlying Class C Balance will together be \$28,464,596, representing 11% of the Initial Mortgage Pool Balance. The “Underlying Class Balance” of each of the foregoing Classes of Underlying Certificates outstanding at any time represents the maximum amount that the holders thereof are entitled to receive as distributions allocable to principal from the cash flow on the Mortgage Loans and the other assets in the Underlying Trust Fund. The Underlying Class Balances of each such Class of Underlying Certificates will be (i) reduced by amounts actually distributed on such Class that are allocable to principal and (ii) further reduced by amounts allocated to such Class in respect of Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses. See “—*Allocation of Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses*” below.

The Underlying Class R Certificates will have no economic value, and it is not expected that any distributions will be made thereon.

The Underlying Class B Certificates, the Underlying Class C Certificates and the Underlying Class R Certificates (collectively, the “Underlying Subordinate Certificates”) will be subordinate to the Underlying Class A Certificates, to the extent described herein under “—*Distributions of Principal and Interest—Subordination*”.

Distributions of Principal and Interest

Amount. The aggregate distribution to be made on the Underlying Certificates on any Distribution Date will equal the Available Distribution Amount for such date plus any Prepayment Premiums received during the related Due Period. See the “Glossary.”

Calculations of Interest. The “Accrued Certificate Interest” in respect of any Class of Underlying Certificates (other than the Underlying Class R Certificates) for any Distribution Date is equal to 30 days’ interest at the Underlying Pass-Through Rate applicable to such Class of Underlying Certificates for such Distribution Date accrued on the Underlying Class Balance thereof outstanding immediately prior to such Distribution Date. See “Description of the Certificates—General—*Certificate Rates*.”

Calculations of Principal. The Underlying Class A Holders are entitled to receive on a monthly basis on each Distribution Date an amount equal to the Underlying Class A Principal Distribution Amount. See the “Glossary”. The Underlying Class A Principal Distribution Amount is generally equal to the Underlying Class A Principal Distribution Percentage of (i) the scheduled payments of principal due on a monthly basis on the Mortgage Loans in accordance with the terms of the respective related Mortgage Notes (other than Balloon Payments) and (ii) with respect to each Balloon Mortgage Loan as to which there has been a default in payment of the Balloon Payment, the principal portion of the related Assumed Payment. In addition, the Underlying Class A Principal Distribution Amount includes, where applicable, (i) the Underlying Class A Principal Distribution Percentage of (A) all Principal Prepayments made by or on behalf of the Mortgagors and (B) all Balloon Payments actually received, net of the principal portion of any prior related Assumed Payments referred to in the preceding sentence and (ii) such other amounts as are set forth in the definition of Underlying Class A Principal Distribution Amount in the Glossary. See “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” and the “Glossary.”

Allocation of Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses. On each Distribution Date, a determination will be made of the aggregate amount of losses on the Mortgage Loans (hereinafter referred to as “Underlying Realized Losses”) and certain expenses of the Underlying Trust Fund (hereinafter referred to as “Extraordinary Underlying Trust Fund Expenses”) that were incurred at any time following the Cut-off Date through the end of the related Due Period, and in any event that were not previously allocated on any prior Distribution Date. See the “Glossary.” On each Distribution Date, following the distributions to be made to Underlying Holders, the aggregate amount of such previously unallocated Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses will be allocated to the Underlying REMIC Regular Certificates, but only to the extent that (i) the aggregate Underlying Class Balances of the Underlying REMIC Regular Certificates as of such Distribution Date (after taking into

account all of the distributions made on such Distribution Date), exceed (ii) the aggregate Stated Principal Balance of the Mortgage Loans and any REO Loans as of such Distribution Date. The allocation of the Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses will be made to the Underlying Class C Certificates and the Underlying Class B Certificates, in that order, until their respective Underlying Class Balances have been reduced to zero, before any such allocation will be made to the Underlying Class A Certificates. Any allocation of Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses to a Class of Underlying REMIC Regular Certificates will be made by reducing the Underlying Class Balance thereof by the amount so allocated. The foregoing allocation of Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses will reduce the likelihood that such losses and expenses will be allocated to the Underlying Class A Certificates. See “—*Distributions of Principal and Interest—Subordination.*” Fannie Mae’s guaranty will cover the amount, if any, of Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses allocated to the Underlying Class A Certificates.

Priority. On each Distribution Date, the Underlying Trustee is required to apply amounts on deposit in the Underlying Distribution Account, to the extent of the Available Distribution Amount for such Distribution Date, in the following order of priority, in each case subject to remaining available funds:

(i) to distributions of interest to the Underlying Class A Holders in an amount equal to all Accrued Certificate Interest in respect of the Underlying Class A Certificates for such Distribution Date and, to the extent not previously paid, for all prior Distribution Dates;

(ii) to distributions of principal to the Underlying Class A Holders in an amount, not to exceed the then outstanding Underlying A Class Balance, equal to the sum of the Underlying Class A Principal Distribution Amount for such Distribution Date, plus any Outstanding Underlying Class A Principal Shortfall for such Distribution Date;

(iii) to distributions to the Underlying Class A Holders until all Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses previously allocated to the Underlying Class A Certificates, but not previously reimbursed, have been reimbursed in full (such reimbursements, together with payments of past due principal and interest on the Underlying Class A Certificates, being generally payable as reimbursements to Fannie Mae of amounts paid in respect of its guaranty);

(iv) to payments to the Underlying Servicer, until all unpaid interest that may have accrued on P&I Advances in respect of Chronically Delinquent Loans has been paid in full; and

(v) to payments to the Underlying Servicer, until all outstanding unreimbursed P&I Advances and Servicing Advances (each, an “Advance”) that it has previously made in respect of defaulted Mortgage Loans and/or REO Properties as to which a Final Recovery Determination was made during or prior to the related Due Period, have been reimbursed in full.

The remainder of the Available Distribution Amount for such Distribution Date will be distributed on the Underlying Class B and Class C Certificates in respect of payments of principal and interest as well as reimbursement of Underlying Realized Losses and Underlying Extraordinary Trust Fund Expenses previously allocated to such Underlying Certificates and, in the event of any excess remaining thereafter, on the Underlying Class A, Class B and Class C Certificates, in that order, until the Underlying Class Balances, if any, thereof are reduced to zero and thereafter to the Underlying Class R Holder.

Subordination. The rights of the holders of Underlying Class B Certificates (“Underlying Class B Certificateholders” or “Underlying Class B Holders”), the holders of the Underlying Class C Certificates (the “Underlying Class C Certificateholders” or “Underlying Class C Holders”) and Underlying Class R Holder to receive distributions with respect to the Mortgage Loans and REO Properties will be subordinate to the rights of the Underlying Class A Holders, to the extent described herein. This subordination (other than the subordination of the Underlying Class R Certificate, which is not expected to receive any significant distributions from the Underlying Distribution Account) is intended to enhance the likelihood of regular receipt by the Underlying Class A Holders of the full amount of monthly distributions due them and to protect the Underlying Class A Holders against losses.

The protection afforded to the Underlying A Class Holders by means of the subordination of the Underlying Subordinate Certificates will be accomplished and preserved through: (i) application of the Available Distribution Amount for each Distribution Date in accordance with the order of priority described under “—Priority” above, (ii) the allocation of Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses to the Underlying Class C Certificates and Underlying Class B Certificates, until their Class Balances are reduced to zero, before such an allocation is made to the Underlying Class A Certificates, and (iii) as a consequence of the allocation described in clause (ii) by an upward adjustment of the Underlying Class A Principal Distribution Percentage (to not more than 100%), thereby entitling the Underlying Class A Holders to such larger shares of scheduled principal payments on the remaining Mortgage Loans as will be necessary to fully amortize the Underlying Class A Balance.

P&I Advances. On the business day immediately prior to each Distribution Date (the “P&I Advance Date”), the Underlying Servicer will be obligated to make advances (each, a “P&I Advance”) equal to the aggregate of all Scheduled Payments (other than Balloon Payments) and any Assumed Payments, net of related Servicing Fees, due or deemed due, as the case may be, in respect of the Mortgage Loans (including, without limitation, Balloon Mortgage Loans delinquent as to their respective Balloon Payments) and any REO Loans on the immediately preceding Due Date, in each case to the extent such amount was not paid by or on behalf of the related Mortgagor as of the close of business on a date specified in the Underlying Pooling and Servicing Agreement or otherwise collected as of the close of business on the last day of the related Due Period.

Notwithstanding the foregoing, the Underlying Servicer will not be obligated to make any P&I Advance that it determines in its reasonable good faith judgment would, if made, constitute a Nonrecoverable P&I Advance. See the “Glossary.”

Payment of Prepayment Interest Shortfalls. The Underlying Servicer is responsible for the payment from its own funds, without any right of reimbursement, of any shortfall in the collection of a full month’s (i.e., 30 days’) interest on (i) a Mortgage Loan (including a Balloon Mortgage Loan) resulting from any Principal Prepayment or (ii) a Balloon Mortgage Loan resulting from the failure to pay the entire Balloon Payment on the stated maturity date and a subsequent partial or full payment of the Balloon Payment, in either case other than on a Due Date. The amount of any such shortfall is herein referred to as a “Prepayment Interest Shortfall” if it occurs with respect to a Principal Prepayment and a “Balloon Payment Interest Shortfall” if it occurs with respect to a late partial or full Balloon Payment. See the “Glossary.” The Underlying Servicer is required to pay the aggregate of these shortfalls on each P&I Advance Date.

Treatment of REO Properties. Notwithstanding that a Mortgaged Property securing any Mortgage Loan may be acquired on behalf of the Underlying Trust Fund as REO Property, the related Mortgage Loan (an “REO Loan”) will, for purposes of determining amounts payable on (including the Underlying Class A Principal Distribution Amount), and losses allocable to, the Underlying Certificates, be treated as having remained outstanding until such REO Property is liquidated, and each such REO Loan will be deemed to have the same terms and conditions as its predecessor Mortgage Loan. An unpaid principal balance, as well as a Scheduled Principal Balance and a Stated Principal Balance, will continue to be calculated for each REO Loan. See the “Glossary.” The Underlying Servicer will be obligated to continue to make P&I Advances on REO Loans, unless any such advances would be Nonrecoverable P&I Advances.

Description of the Underlying Pooling and Servicing Agreement

General

The Underlying Certificates will be issued pursuant to the Underlying Pooling and Servicing Agreement. The following summary descriptions of certain provisions of the Underlying Pooling and Servicing Agreement do not purport to be complete and are subject to, and qualified in their entirety by reference to, the provisions of the Underlying Pooling and Servicing Agreement. When particular sections of or terms used in the Underlying Pooling and Servicing Agreement are referred to, those sections and terms are incorporated by reference as part of such summaries. A copy of the Underlying Pooling and Servicing Agreement will be available upon request from the Underlying Depositor.

The Parties

The Underlying Depositor. Merrill Lynch Mortgage Capital Inc. is a wholly-owned, limited purpose finance subsidiary of Merrill Lynch & Co.

The Underlying Servicer. The Mortgage Loans will be serviced by The Travelers Insurance Company either directly or through its wholly owned subsidiary, The Travelers Realty Investment Company.

The Underlying Trustee. State Street Bank and Trust Company, a Massachusetts banking corporation, will act as the Underlying Trustee pursuant to the Underlying Pooling and Servicing Agreement.

Assignment of the Mortgage Loans

On or prior to the Settlement Date, the Underlying Depositor will assign the Mortgage Loans, without recourse, to the Underlying Trustee for the benefit of the Underlying Certificateholders. Prior to the Settlement Date, the Underlying Depositor will deliver to the Underlying Trustee the original Mortgage Notes, (or a lost note affidavit executed by the FDIC), the original Mortgages and except as otherwise provided in the Underlying Pooling and Servicing Agreement all of the other documents that constitute the Mortgage Files. (Article I and Section 2.01(a).)

Servicing of the Mortgage Loans

The Underlying Pooling and Servicing Agreement requires the Underlying Servicer to service and administer diligently the Mortgage Loans on behalf of the Underlying Trustee and in the best interests of and for the benefit of the Underlying Certificateholders (as determined by the Underlying Servicer in its good faith and reasonable judgment and without regard to any differing payment priorities among the respective Classes of Underlying Certificates) in accordance with applicable law, the terms of the Underlying Pooling and Servicing Agreement and the terms of the respective Mortgage Loans and otherwise in accordance with the Servicing Standard. (Section 3.01(a).) See the “Glossary.”

Notwithstanding the Servicing Standard or any provision in the Underlying Pooling and Servicing Agreement to the contrary, during any Underlying Class A Control Period, Fannie Mae, as the Majority Underlying Class A Voteholder, will have the right and authority, but not the obligation, to direct the Underlying Servicer in all matters relating to servicing and enforcement of the Mortgage Loans. (Section 3.01(d).)

Due-on-Sale Clauses; Due-on-Encumbrance Clauses; Assumption Agreements; Subordinate Financing. Eighty-one of the Mortgage Loans, representing 80.81% of the Initial Mortgage Pool Balance, have “due-on-sale” clauses generally providing that such Mortgage Loan will (or may at the mortgagee’s option) become due and payable upon the sale or other transfer of an interest in the related Mortgaged Property. In general, the Underlying Pooling and Servicing Agreement requires the Underlying Servicer to determine whether to enforce any such due-on-sale clause in a manner consistent with the Servicing Standard, but prohibits such enforcement if certain conditions (generally related to the creditworthiness and responsibility of the proposed transferee, the condition of the Mortgaged Property and the establishment of adequate maintenance and replacement reserves) are satisfied. (Section 3.08(a).)

Some of the other Mortgage Loans also have “due-on-encumbrance” clauses generally providing that such Mortgage Loan will (or may at the mortgagee’s option) become due and payable upon the creation of any additional lien or other encumbrance on the Mortgaged Property that is not permitted by the related Mortgage. In general, the Underlying Pooling and Servicing Agreement also requires the Underlying Servicer to determine whether to enforce any such due-on-encumbrance clause in a manner consistent with the Servicing Standard, but the Underlying Servicer is not permitted to consent to any subordinate financing unless required by the Mortgage Loan. If the Mortgage Loan requires the consent of the mortgagee and, pursuant to applicable law or the provisions of the Mortgage Loan, such consent must be reasonably exercised, then the Underlying Servicer may consider requests by a borrower to permit subordinate financing provided that certain conditions (generally relating to the term of the subordinate loan, the requirement that the interest be payable on the subordinate loan on a current basis and at a fixed rate, and the requirement that there be a

minimum combined debt service coverage ratio and loan-to-value ratios for the Mortgage Loan and the subordinate loan) are satisfied. However, during any Underlying Class A Control Period, the Underlying Servicer must obtain the consent of Fannie Mae, as the Majority Underlying Class A Voteholder, before permitting any subordinate financing. (Section 3.08(b).)

Modifications, Waivers and Amendments. The Underlying Servicer may agree to any modification, waiver or amendment (each, a “Modification”) of any term of any Mortgage Loan without the consent of the Underlying Depositor, the Underlying Trustee or any Underlying Certificate Holder, subject to compliance with the REMIC Provisions and the other limitations described in the Underlying Pooling and Servicing Agreement. (Section 3.20(a) and Section 3.20(k).)

Except for waiver of any penalty charge or a waiver of an obligation to pay a Prepayment Premium or a waiver of any due-on-sale provision, the Underlying Servicer may not agree to any Modification of any term of any Mortgage Loan that would affect the amount or timing of any related payment of principal, interest or other amount payable thereunder or, in the Underlying Servicers’ good faith and reasonable judgment, would materially impair the security for such Mortgage Loan or reduce the likelihood of timely payment of amounts due thereon, unless the Debt Service Coverage Ratio for such Mortgage Loan is less than 1.0 to 1 and in any such case, in the Underlying Servicers’ good faith and reasonable judgment, a material default on such Mortgage Loan has occurred or a default in respect of payment on such Mortgage Loan is imminent, and such Modification is reasonably likely to produce a greater recovery with respect to such Mortgage Loan on a present value basis than would liquidation.

Any Modification must conform to the following additional limitations: (i) the Modification may not reduce the amount of any Monthly Payment scheduled to be due on any Mortgage Loan prior to its stated maturity date to an amount less than the greater of (A) that which would be necessary to result in a Debt Service Coverage Ratio of 1.10 to 1 and (B) that which would be sufficient to pay any originally scheduled principal amortization (other than a final Balloon Payment) and one month’s interest at a per annum rate equal to the lower of (1) the unmodified Mortgage Interest Rate minus 300 basis points and (2) the current Fannie Mae “prior approval rate,” at the Tier 1 level, for a 30 day delivery and seven year term, and no more 24 Monthly Payments may be so reduced on any Mortgage Loan; and (ii) the Modification may not (A) forgive the payment of any interest on or principal of any Mortgage Loan or (B) result in any interest or principal on any Mortgage Loan being due and payable later than the earlier of two years after the date it was first due (without regard to any Modification) and the final maturity date for such Mortgage Loan. (Section 3.20(a).)

The extension of the maturity of a Balloon Mortgage Loan is subject to the following additional limitations: (i) no more than two such extensions may be granted, and any such extension may not result in a the final scheduled payment date that is more than 12 months beyond the date on which it was previously due or that is more than a total of 24 months beyond its original stated maturity date; (ii) the contract interest rate (coupon rate) for each month during the extension period shall be the greater of (A) the contract interest rate (coupon rate) due on such Balloon Mortgage Loan in the month prior to the month in which the final payment was originally scheduled to be due thereon and (B) the current Fannie Mae “prior approval rate,” at the Tier 1 level, for a 30 day delivery and seven year term; (iii) the extension may not modify the rate and timing of scheduled principal amortization (other than the principal portion of the final payment) of the Balloon Mortgage Loan; (iv) the extension may not reduce the Monthly Payment due on each Due Date during the extension period to an amount less than the Monthly Payment due on such Balloon Mortgage Loan in the month prior to the month in which the final payment was originally scheduled to be due; and (v) all net operating income of the property must be applied to debt service on the Mortgage Loan. (Section 3.20(a).)

Any Modification that would not be permitted as described above may be effected with the written consent of Fannie Mae, whether as the Underlying Certificateholder entitled to a majority of the Underlying Voting Rights or, during any Underlying Class A Control Period, as the Majority Underlying Class A Voteholder. Furthermore, in the case of the waivers described in the second paragraph under this heading during any Underlying Class A Control Period, the Underlying Servicer may not agree to any Modification of

any Mortgage Loan, even though it would be permitted pursuant to the preceding paragraphs, unless it obtains the written consent of Fannie Mae, as the Majority Underlying Class A Voteholder. (Section 3.20(b).)

The Underlying Servicer may, in accordance with the Servicing Standard, effect a Modification of any term of a Mortgage Loan that requires the payment of a Prepayment Premium in connection with any Principal Prepayment thereon, except that during any Underlying Class A Control Period, the Underlying Servicer must first obtain the consent of Fannie Mae, as the Majority Underlying Class A Voteholder, to any such Modification. (Section 3.20(d).)

If the Mortgager reasonably requests a partial release of the Mortgaged Property, then the Underlying Servicer may grant such partial release provided that it is consistent with the Servicing Standard and that during any Underlying Class A Control Period, Fannie Mae, as the Majority Underlying Class A Certificateholder gives its consent to any such partial release and (i) the unpaid principal balance of the Mortgage Loan will be reduced by an amount equal to the value of the released portion of the Mortgaged Property, (ii) the security for the Underlying Trust Fund is not adversely affected and the remaining property can, practically and economically continue to be used for its intended purposes and (iii) the income of the Mortgaged Property is not adversely affected by such release. (Section 3.20(f).)

Realization Upon Defaulted Mortgage Loans. The Underlying Pooling and Servicing Agreement requires the Underlying Servicer to exercise reasonable and diligent efforts, consistent with the Servicing Standard, to sell a defaulted Mortgage Loan or to foreclose upon or otherwise comparably convert the ownership of the related Mortgaged Property as to which no satisfactory arrangements can be made for collection of delinquent payments, subject to the the limitations described below. (Section 3.09(d).) However, during any Underlying Class A Control Period, Fannie Mae, as the Majority Underlying Class A Voteholder, has the right but not the obligation to direct the course of action to be followed by the Underlying Servicer upon the occurrence of a payment default or a material performance default. (Section 3.09(b).)

Promptly after any Mortgage Loan is two payments delinquent, the Underlying Servicer is required to begin the foreclosure process as set forth in the Fannie Mae Policies and Procedures for REO Property concurrent with pursuing any borrower request for a Modification, as described under “*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*” (the “dual track approach”). Promptly upon commencement of a foreclosure action the Underlying Servicer is required to seek the appointment of a receiver to collect the rents and other revenues of the property and manage the property for the benefit of Underlying Certificateholders. (Section 3.09(c).)

The Underlying Servicer may not initiate foreclosure proceedings, obtain title to a Mortgaged Property in lieu of foreclosure or otherwise, or take any other actions with respect to any Mortgaged Property, if, as a result of any such action, the Underlying Trustee, on behalf of Underlying Certificateholders, would be considered to hold title to, to be a “mortgagee-in-possession” of, or to be an “owner” or “operator” of such Mortgaged Property within the meaning of CERCLA or any comparable law, unless the Underlying Servicer has previously determined in accordance with the Servicing Standard, based on a current or currently updated environmental site assessment, obtained at the expense of the Underlying Trust Fund, meeting the standards prescribed by the Underlying Pooling and Servicing Agreement (an “Environmental Assessment”) of such Mortgaged Property Assessments, that each of the following conditions (“Environmental Conditions Precedent to Foreclosure”) is satisfied:

- (i) the Mortgaged Property is in compliance with applicable environmental laws and regulations or, if not, that taking such actions as are necessary to bring the Mortgaged Property in compliance therewith is reasonably likely to produce a greater recovery on a present value basis than not taking such actions; and

- (ii) there are no circumstances or conditions present at the Mortgaged Property relating to the use, management or disposal of any chemicals, pollutants, petroleum-based materials or other toxic or hazardous materials for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any applicable environmental laws and regulations or, if such circumstances or conditions are present for which any such action could be required, that taking such actions with respect

to such Mortgaged Property is reasonably likely to produce a greater recovery on a present value basis than not taking such actions. (Section 3.09(f).)

If the environmental testing described above establishes that either of the Environmental Conditions Precedent to Foreclosure has not been satisfied the Underlying Servicer is required to take such action as it deems to be in the best economic interest of the Underlying Trust Fund (other than proceeding to acquire title to the Mortgaged Property) and is authorized, if it has obtained the consent of the Underlying Trustee and Fannie Mae, as the Majority Underlying Class A Votesholder, to release such Mortgaged Property from the lien of the related Mortgage. (Section 3.09(g).) The cost of any remedial, corrective or other further action related to an Environmental Conditions Precedent to Foreclosure will be an expense of the Underlying Trust Fund. (Section 3.09(f).)

If the Underlying Servicer acquires any REO Property on behalf of the Underlying Trust Fund, it is required to diligently attempt to maximize the value of such REO Property by, among other things, stabilizing the tenancy of the REO Property, repairing and restoring the REO Property to marketable condition and selling the REO Property at its then current fair market value. The Underlying Servicer is required to sell such REO Property within two years after the Underlying Trust Fund acquires ownership of such REO Property, unless the Underlying Servicer (a) either (i) is granted an extension of time (an “REO Extension”) by the Internal Revenue Service to sell such REO Property or (ii) obtains for the Underlying Trustee an opinion of counsel to the effect that the holding by the Underlying Trust Fund of such REO Property subsequent to the second anniversary of such acquisition will not result in the imposition of taxes on “prohibited transactions” of the Underlying Trust Fund as defined in Section 860F of the Code or cause the Underlying Trust Fund to fail to qualify as a REMIC at any time that any Underlying Certificates are outstanding and (b) in taking the actions in clause (i) or clause (ii) it has received the consent of or direction from Fannie Mae, as the Majority Underlying Class A Votesholder. (Section 3.16(a).)

Representations and Warranties; Repurchases

In the Underlying Pooling and Servicing Agreement, the Underlying Depositor will make certain customary representations and warranties for the benefit of the Underlying Trustee and the Underlying Certificateholders with respect to each Mortgage Loan. (Section 2.03). The representations and warranties in the Underlying Pooling and Servicing Agreement will continue in effect throughout the term of the Underlying Pooling and Servicing Agreement. Within 90 days following the discovery of a breach of any of such representations and warranties, which breach materially and adversely affects the value of any Mortgage Loan or the interest of Underlying Certificateholders therein, the Underlying Depositor, at its option, will be required (i) to cure in all material respects such breach or (ii) to purchase the affected Mortgage Loan from the Underlying Trustee at the applicable Purchase Price. (Section 2.04). See the “Glossary.”

Underlying Servicer and Trustee Compensation

The principal compensation to be paid to the Underlying Servicer will be a fee (the “Servicing Fee”) that will accrue from time to time at the rate of 0.18% per annum (the “Servicing Fee Rate”) and will be computed on the basis of the same principal amount and for the same period respecting which any related interest payment due on such Mortgage Loan or deemed to be due on such REO Loan is computed. (Section 3.11(a).)

The Underlying Trustee will be entitled to withdraw from the Underlying Distribution Account as compensation, prior to any distributions to be made from such account on each Distribution Date to Underlying Certificateholders, an amount equal to 30 days’ interest accrued at 0.012% per annum (the “Underlying Trustee’s Fee Rate”) on the aggregate Stated Principal Balance of the Mortgage Loans and REO Loans as of the immediately preceding Distribution Date, together with any such amount remaining unpaid from any prior Distribution Date. (Section 8.05(a).)

Rights Upon Underlying Events of Default

If any event of default should occur and be continuing under the Underlying Pooling and Servicing Agreement, then, so long as such event of default is not remedied, the Underlying Trustee may, and, at the direction of the Underlying Certificateholders entitled to a majority of the Underlying Voting Rights, the Underlying Trustee will, terminate all of the rights and obligations of the Underlying Servicer in such capacity under the Underlying Pooling and Servicing Agreement and in and to the Underlying Trust Fund. (Section 7.01(b).)

Underlying Certificateholders representing a majority of the Underlying Voting Rights allocated to the Classes of Underlying Certificates affected by any such event of default may waive such event of default. However, an event of default involving the failure by the Underlying Servicer to make required deposits into the Underlying Certificate Account or Underlying Distribution Account only may be waived by the Underlying Certificateholders representing a majority of the Underlying Voting Rights allocated to each Class of Underlying Certificates. (Section 7.04.)

Amendment

The Underlying Pooling and Servicing Agreement may be amended from time to time for certain limited purposes by the mutual agreement of the Underlying Depositor, the Underlying Servicer and the Underlying Trustee, without the consent of any of the Underlying Certificateholders. (Section 11.01(a).)

The Underlying Pooling and Servicing Agreement may also be amended from time to time by the mutual agreement of the Underlying Depositor, the Underlying Servicer and the Underlying Trustee with the consent of the Underlying Certificateholders entitled to a majority of the Underlying Voting Rights allocated to the affected Classes, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Underlying Pooling and Servicing Agreement or of modifying in any manner the rights of the Underlying Certificateholders. However, no such amendment may (i) reduce in any manner the amount of, or delay the timing of, payments received or advanced on the Mortgage Loans that are required to be distributed on any Underlying Certificate without the consent of the Underlying Holder of such Underlying Certificate, (ii) affect adversely in any material respect the interests of the Underlying Holders of any Class of Underlying Certificates in a manner other than as described in (i) without the consent of the Underlying Holders of all Underlying Certificates of such Class, or (iii) modify the provisions of the Underlying Pooling and Servicing Agreement described in this paragraph without the consent of the Underlying Holders of all Underlying Certificates then outstanding. (Section 11.01(b).)

Termination

The obligations and responsibilities created by the Underlying Pooling and Servicing Agreement will terminate upon payment (or provision for payment) to the Underlying Certificateholders of all amounts held by or on behalf of the Underlying Trustee and required under the Underlying Pooling and Servicing Agreement to be so paid on the Distribution Date following the earlier to occur of (i) the purchase by the Underlying Servicer or the Underlying Depositor of all Mortgage Loans and REO Properties remaining in the Underlying Trust Fund, and (ii) the final payment (or any advance with respect thereto) on or other liquidation of the last Mortgage Loan or REO Property remaining in the Underlying Trust Fund. The purchase price payable by the Underlying Servicer or the Underlying Depositor pursuant to clause (i) of the preceding sentence will be equal to the greater of (A) the aggregate Purchase Price of all the Mortgage Loans included in the Underlying Trust Fund, plus the appraised value of each REO Property, if any, included in the Underlying Trust Fund, minus, in the event the purchaser is the Underlying Servicer, the aggregate amount of any unreimbursed P&I Advances (together with any unpaid interest accrued and payable to the Underlying Servicer on any such P&I Advances in respect of Chronically Delinquent Mortgage Loans), unreimbursed Servicing Advances and unpaid Servicing Fees remaining outstanding (which items will be deemed to have been paid or reimbursed to the Underlying Servicer in connection with such purchase), and (B) the aggregate fair market value of all of the assets of the Underlying Trust Fund. (Section 9.01.) See the "Glossary."

The Underlying Servicer or the Underlying Depositor may, at its option, elect to purchase all of the Mortgage Loans and REO Properties remaining in the Underlying Trust Fund as contemplated by clause (i) of the preceding paragraph only if the aggregate Stated Principal Balance of the Mortgage Loans and any REO Loans remaining in the Underlying Trust Fund as of the most recent Distribution Date preceding the date of such election is less than five percent of the aggregate Cut-off Date Balance of all of the Mortgage Loans. (Section 9.01.)

On the final Distribution Date, the Underlying Trustee will distribute to each Underlying Certificateholder that presents and surrenders its Underlying Certificates such Underlying Certificateholder's portion of the amounts then on deposit in the Underlying Distribution Account that are allocable to payments on the Class of Underlying Certificates so presented and surrendered. Amounts on deposit in the Underlying Distribution Account as of the final Distribution Date, to the extent of the Available Distribution Amount for the final Distribution Date, will be allocated in the following order, in each case subject to remaining available funds: (i) to distributions of interest to the Underlying Class A Holders, in an amount equal to all Accrued Certificate Interest in respect of the Underlying Class A Certificates for such Distribution Date and, to the extent not previously paid, for all prior Distribution Dates; (ii) to distributions of principal to the Underlying Class A Holders, in an amount equal to the Underlying Class A Balance outstanding immediately prior to such Distribution Date; (iii) to distributions to the Underlying Class A Holders, until all Underlying Realized Losses and Extraordinary Underlying Trust Fund Expenses previously allocated to the Underlying Class A Certificates, but not previously reimbursed, have been reimbursed in full; and (iv) to similar distributions to the Underlying Class B Holders and Class C Holders, with any remaining excess to distributions to the Underlying Class R Holders. In addition, amounts on deposit in the Underlying Distribution Account as of the final Distribution Date that constitute Prepayment Premiums will be allocated among the respective Classes of Underlying Certificates with the Underlying Class A Certificates being entitled to all Prepayment Premiums and, once the Underlying Class A Certificates have been retired, the Underlying Class B and Class C Certificates being so entitled *pro rata* based upon their Underlying Class Balances outstanding immediately prior to the final Distribution Date. (Section 9.01.)

DESCRIPTION OF THE MORTGAGE POOL

General

The Underlying Trust Fund will consist primarily of Mortgage Loans with an aggregate Cut-off Date Balance of \$258,764,596 (the "Initial Mortgage Pool Balance"). The "Cut-off Date Balance" of each Mortgage Loan is the unpaid principal balance thereof as of the Cut-off Date, after application of all payments of principal due on or before such date, whether or not received.

Each Mortgage Loan is evidenced by a Mortgage Note and secured by a Mortgage that creates a first lien on a multifamily project (a "Mortgaged Property") consisting of five or more rental or cooperatively owned dwelling units in a high-rise, mid-rise or garden apartment building. The Mortgages cover a fee simple (or, in one case, a leasehold) estate in the Mortgaged Property. Except for one Mortgage Loan that is insured by the FHA, none of the Mortgage Loans is insured or guaranteed by the United States, any governmental agency or any private mortgage insurer.

The Mortgage Loans were acquired by the Underlying Depositor on September 30, 1992 from the FDIC acting in its capacity as receiver for each of American Savings Bank ("American") and Riverhead Savings Bank ("Riverhead"). The Mortgage Loans were originated between 1972 and 1991.

Certain Terms and Conditions of the Mortgage Loans

Due Dates. All Monthly Payments under the Mortgage Loans (including any Balloon Payments at their respective stated maturity dates) will be due on the first day of each month (as to each, the "Due Date"). As of the Cut-off Date, no Monthly Payment on any Mortgage Loan was more than thirty (30) days past due.

Mortgage Interest Rates. Seventy-three of the Mortgage Loans (the “Fixed Rate Mortgage Loans”), which represent 76.7% of the Initial Mortgage Pool Balance, bear interest at Mortgage Interest Rates that are in each case, as of the Cut-off Date, fixed for the particular Mortgage Loan’s remaining term to stated maturity. Twenty-six of the Mortgage Loans (the “Resetable Rate Mortgage Loans”), which represent 22.3% of the Initial Mortgage Pool Balance, bear interest at Mortgage Interest Rates that are in each case subject to a one-time adjustment following the Cut-off Date (the date of such adjustment, the “Mortgage Interest Rate Reset Date”) by adding a specified number of basis points (a “Gross Margin”) to the applicable value of a base index (an “Index”), rounded up to the nearest one-eighth of one percent. Four of the Mortgage Loans (the “ARM Mortgage Loans”), which represent the remaining 1.0% of the Initial Mortgage Pool Balance, bear interest at Mortgage Interest Rates which are in each case subject to periodic adjustments following the Cut-off Date (the date of each such adjustment, a “Mortgage Interest Rate Adjustment Date”) by adding the related Gross Margin to the applicable value of the related Index, rounded up to the nearest one-eighth of one percent. See “—The Indices” below.

Most of the Fixed Rate Mortgage Loans and all of the Resetable Rate Mortgage Loans have an original term to maturity of approximately 10 years. The Mortgage Interest Rate Reset Date for each Resetable Rate Mortgage Loans occurs on the first day of the month that follows the fifth anniversary of its date of origination. Most of the Fixed Rate Mortgage Loans have Mortgage Interest Rate adjustment provisions similar to those of the Resetable Rate Mortgage Loans, but as of the Cut-off Date have previously experienced the one-time adjustment to their respective Mortgage Interest Rates. The Mortgage Interest Rates of the ARM Mortgage Loans adjust every five years or, in one case, every three years.

Monthly Payments. The Monthly Payments on the ARM Mortgage Loans and each Resetable Rate Mortgage Loan are subject to adjustment in response to changes in the related Mortgage Interest Rate to an amount that would amortize fully the principal balance of the Mortgage Loan over its then remaining amortization term, if any, and pay one month’s interest thereon at the applicable Mortgage Interest Rate. None of the Mortgage Loans provides for the deferral of interest payments or negative amortization.

Ninety-one of the Mortgage Loans (the “Balloon Mortgage Loans”), which represent 97.9% of the Initial Mortgage Pool Balance, provide either for no amortization prior to stated maturity (3.1% of the Initial Mortgage Pool Balance) or for monthly payments of principal based on amortization schedules significantly longer than the remaining terms of such Mortgage Loans (94.8% of the Initial Mortgage Pool Balance), thereby leaving in either case substantial principal amounts due and payable (each such payment, a “Balloon Payment”) on their respective maturity dates, unless prepaid prior thereto. Only 12 of the Mortgage Loans (the “Self-Amortizing Mortgage Loans”), which represent the remaining 2.1% of the Initial Mortgage Pool Balance, have original amortization terms that are the same as their original terms to stated maturity.

Prepayment Provisions. Eighty-two of the Mortgage Loans (*i.e.*, all but four of the Resetable Rate Mortgage Loans, and all of the Fixed Rate Mortgage Loans that have Mortgage Interest Rate adjustment provisions similar to those of the Resetable Rate Mortgage Loans but that have as of the Cut-off Date previously experienced the one-time adjustment to their respective Mortgage Interest Rates), representing 91% of the Initial Mortgage Pool Balance, have substantially the same prepayment provisions. The original ten-year term of each such Mortgage Loan is divided into two discrete, non-overlapping five-year periods. During the first three years of each such five-year period, the related Mortgagor is prohibited from prepaying the Mortgage Loan, in whole or in part; however, during the final two years thereof (each, a “Permitted Prepayment Period”), the Mortgage Loan may be prepaid in whole, but not in part, provided that, unless such prepayment is made during the final 60 days of the first, and in a limited number of cases, the second Permitted Prepayment Period, when a prepayment in whole may be made without the payment of a Prepayment Premium, the Mortgagor also pays a Prepayment Premium which is initially equal to 4% of the prepaid amount and which declines by 1% of the prepaid amount for each full six-month period that has elapsed during such Permitted Prepayment Period. See the table titled “Periods (in Months) Until Mortgage Interest Rate Reset Dates for the Resetable Rate Mortgage Loans as of the Cut-off Date” under “Additional Mortgage Loan Information” below.

Of the remaining Mortgage Loans, (i) nine of the Mortgage Loans, representing 3.2% of the Initial Mortgage Pool Balance, may be prepaid at any time without the payment of a Prepayment Premium and (ii) 12 of the Mortgage Loans, representing 5.8% of the Initial Mortgage Pool Balance, require that principal prepayments be accompanied by a Prepayment Premium.

The Underlying Servicer will be permitted, in accordance with the Servicing Standard, to modify, waive or amend any term of a Mortgage Loan that requires the payment of a Prepayment Premium in connection with any principal prepayment thereon. If and to the extent received, Prepayment Premiums are distributable to the N Class as described herein under “Description of the Certificates—Allocation of Prepayment Premiums”.

The following table sets forth an analysis of the percentage of the declining balance of the Mortgage Pool that, on September 1 of each of the years indicated, will be within a period in which Principal Prepayments are prohibited (that is “Lock-outs”) or in which Principal Prepayments must be accompanied by the indicated Prepayment Premium. The table was prepared on the assumption that the Mortgage Loans will amortize according to their respective amortization schedules, if any, and that Balloon Payments will be made when due, but that no Mortgage Loan will be prepaid, voluntarily or involuntarily. Dollar amounts in such table are in millions of dollars.

Prepayment Lockout/Premium Analysis

Lockout/ Prepayment Premium Percentage	Percentage of Mortgage Pool By Prepayment Restriction Assuming No Prepayments								
	Current Sep-93	12(mo.) Sep-94	24(mo.) Sep-95	36(mo.) Sep-96	48(mo.) Sep-97	60(mo.) Sep-98	72(mo.) Sep-99	84(mo.) Sep-00	96(mo.) Sep-01
Lockout	74%	78%	46%	19%	16%	0%	0%	0%	0%
4 to 4.99%	3%	6%	24%	17%	0%	13%	0%	0%	0%
3 to 3.99%	6%	1%	16%	13%	18%	22%	0%	0%	0%
2 to 2.99%	0%	4%	6%	26%	30%	0%	23%	0%	0%
1 to 1.99%	10%	4%	2%	19%	24%	41%	39%	3%	10%
From 0.1 to 0.99%	0%	0%	0%	0%	1%	2%	3%	7%	26%
0%	7%	8%	6%	6%	10%	22%	35%	89%	65%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Mortgage Pool Balance . . .	\$258.8	\$255.2	\$251.2	\$227.9	\$122.0	\$55.0	\$31.7	\$12.3	\$3.5
% of Initial Balance*	100%	99%	97%	88%	47%	21%	12%	5%	1%

* Represents the percentage of the Initial Mortgage Pool Balance that will remain outstanding at the indicated date based upon the assumptions used in the preparation of this table.

“Due-on-Sale” and “Due-on-Encumbrance” Provisions. Eighty-one of the Mortgages contain “due-on-sale” and “due-on-encumbrance” clauses that in each case permit the holder of the Mortgage to accelerate the maturity of the related Mortgage Loan if the Mortgagor sells or otherwise transfers or encumbers the related Mortgaged Property or prohibit the Mortgagor from doing so without the consent of the holder of the Mortgage or in the case of certain due-on-encumbrance provisions, without satisfying certain conditions specified in the related Mortgage. See “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Due-on-Sale Clauses; Due-on-Encumbrance Clauses; Assumption Agreements; Subordinate Financing.*”

The Indices

General. The Index for each Resettable Rate Mortgage Loan is one of the following:

- (i) the “Treasury Constant Maturity” yield on U.S. Treasury Notes and Bonds adjusted to a constant maturity of five (5) years as released during the week in which the related Mortgage Interest Rate Reset Date occurs by the Federal Reserve Board in its Statistical Release H.15(519) (the “5-Year CMT Index”); or

(ii) the interest rate charged by the Federal Home Loan Bank, New York District, most recently reported on the day on which the related Mortgage Interest Rate Reset Date occurs, for a five (5) year advance to a member bank in good standing (the “5-Year FHLBNY Advance Rate Index”).

The Index for two of the ARM Mortgage Loans is the 5-Year CMT Index and the Index for one ARM Mortgage Loan is the 5-Year FHLBNY Advance Rate Index, and the Index for the other ARM Mortgage Loan is based on a prime rate, the Citibank, N.A. “base rate.”

See the table containing the historical values of the 5-Year CMT Index and the 5-Year FHLBNY Advance Rate Index under “*Historical Values*” below.

Treasury Index. Yields on U.S. Treasury securities at “constant maturity” are derived from the U.S. Treasury’s daily yield curve. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations reported by five leading U.S. Government securities dealers to the Federal Reserve Bank of New York. This method provides a yield for a given maturity even if no security with that exact maturity is outstanding. Statistical Release No. H.15 (519) is published on Monday or Tuesday of each week and may be obtained by writing or calling the Publications Department at the Board of Governors of the Federal Reserve System, 21st and C Streets, Washington, D.C. 20551, telephone number (202) 452-3244.

FHLBNY Advance Rate Index. FHLBNY advance rates reflect the respective rates charged to member institutions by the Federal Home Loan Bank of New York (the “FHLBNY”) on advances with varying specified maturities. Member institutions of the FHLBNY include all thrifts with home offices in the 2nd District of the Federal Home Loan Bank System and any commercial banks that elect to join. The 2nd District includes New York, New Jersey and Puerto Rico. The FHLBNY advance rate is computed daily at approximately 10:00 a.m. by the investment committee of the FHLBNY. It is based upon the cost of funds of the Federal Home Loan Bank Office of Finance in Washington D.C., plus a standard spread. As of September 23, 1993, that rate was 5.17%, although it can and does fluctuate. The FHLBNY rates are quoted daily and may be obtained from the FHLBNY by calling 1-800-525-2565.

Historical Values. Listed below are some historical values of the Indices for selected months from June 1983 to December 1991 and monthly from June 1992 to August 1993. Such values may fluctuate significantly over time and may not increase or decrease in a constant pattern from period to period. The following does not purport to be representative of future values of the Indices. No assurance can be given as to the value of the 5-Year CMT Index or the 5-Year FHLBNY Advance Rate Index to be applied on any Mortgage Interest Rate Reset Date or Mortgage Interest Rate Adjustment Date.

<u>Year-Month</u>	<u>5-Year CMT Index*</u>	<u>5-Year FHLBNY Advance Rate Index*</u>
1983 – June	10.63	11.17
– December	11.55	12.21
1984 – June	13.18	14.25
– December	11.07	11.73
1985 – June	9.60	10.19
– December	8.73	9.46
1986 – June	7.64	8.47
– December	6.67	7.45
1987 – June	8.02	8.95
– December	8.45	9.43
1988 – June	8.49	9.37
– December	9.09	9.88
1989 – June	8.29	9.11
– December	7.75	8.58
1990 – June	8.43	9.15
– December	7.73	8.32
1991 – June	7.94	8.49
– December	6.19	6.71
1992 – June	6.48	6.96
– July	5.84	6.32
– August	5.60	6.05
– September	5.38	5.85
– October	5.60	6.08
– November	6.04	6.56
– December	6.08	6.62
1993 – January	5.83	6.33
– February	5.43	5.90
– March	5.20	5.63
– April	5.13	5.56
– May	5.20	5.62
– June	5.22	5.63
– July	5.09	5.49
– August	5.05	5.45

* See “Indices” above for an explanation of each Index.

Additional Mortgage Loan Information

Additional Mortgage Loan Characteristics. The Mortgage Loans and Mortgaged Properties are expected to have the following additional characteristics as of the Cut-off Date. The sum in any column of the following tables may not equal the indicated total due to rounding.

The following table sets forth the range of Mortgage Interest Rates on the Mortgage Loans as of the Cut-off Date. None of the Resettable Rate Mortgage Loans or ARM Mortgage Loans has a minimum or a maximum lifetime Mortgage Interest Rate.

Mortgage Interest Rates as of the Cut-off Date

<u>Range of Mortgage Interest Rates (%)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
6.001 to 7.000	1	\$ 6,250,689	2.42%
7.001 to 8.000	9	37,312,119	14.42
8.001 to 9.000	29	62,074,477	23.99
9.001 to 10.000	34	99,752,304	38.55
10.001 to 11.000	26	51,716,607	19.99
11.001 to 12.000	3	1,084,467	0.42
12.500	<u>1</u>	<u>573,933</u>	<u>0.22</u>
Total	<u>103</u>	<u>258,764,596</u>	<u>100.00%</u>

Weighted Average Mortgage Interest Rate (All Mortgage Loans): 9.202% per annum

Weighted Average Mortgage Interest Rate (Fixed Rate Mortgage Loans): 8.97% per annum

Weighted Average Mortgage Interest Rate (Resettable Rate
and ARM Mortgage Loans): 9.96% per annum

The following table sets forth for the Resettable Rate Mortgage Loans the Indices upon which Mortgage Interest Rate adjustments are based.

Indices for the Resettable Rate Mortgage Loans

<u>Index</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
5-Year CMT Index	18	\$34,220,125	13.22%
5-Year FHLBNY Advance Rate Index	<u>8</u>	<u>23,358,646</u>	<u>9.03</u>
Total	<u>26</u>	<u>\$57,578,772</u>	<u>22.25%</u>

The following tables set forth the range of Gross Margins for the Resetable Rate Mortgage Loans. The Gross Margin for three of the ARM Mortgage Loans is 250 basis points and the Gross Margin for one ARM Mortgage Loan is 275 basis points.

Gross Margins for the Resetable Rate Mortgage Loans

<u>Gross Margins(%)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
2.25	1	\$ 1,456,517	0.56%
2.50	6	20,923,493	8.09
3.00	19*	35,198,762	13.60
Total	26	\$57,578,772	22.25%

* Includes all 18 Resetable Rate Mortgage Loans as to which adjustments of the Mortgage Interest Rates are based on the 5-Year CMT Index.

The following table sets forth for the Resetable Rate Mortgage Loans the respective periods (in months) from the Cut-off Date until, in each case, the related Mortgage Interest Rate Reset Date.

Periods (in Months) Until Mortgage Interest Rate Reset Dates for the Resetable Rate Mortgage Loans as of the Cut-off Date

<u>Period Until Mortgage Rate Reset Date (in Months)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
1 to 6	8	\$24,176,164	9.34%
13 to 18	8	12,080,553	4.67
19 to 24	4	8,782,396	3.39
31 to 36	4	9,841,114	3.80
43 to 45	2	2,698,545	1.04
Total	26	\$57,578,772	22.25%

The following table sets forth the range of Cut-off Date Balances of the Mortgage Loans.

Cut-off Date Balances

<u>Range of Cut-off Date Balances (\$)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
\$ 13,000 to \$ 250,000	6	\$ 662,912	0.26%
\$ 250,001 to \$ 500,000	9	3,814,622	1.47
\$ 500,001 to \$ 750,000	8	5,093,917	1.97
\$ 750,001 to \$ 1,000,000	11	10,229,352	3.95
\$ 1,000,001 to \$ 1,500,000	23	28,599,713	11.05
\$ 1,500,001 to \$ 2,000,000	11	18,979,936	7.33
\$ 2,000,001 to \$ 2,500,000	5	11,000,702	4.25
\$ 2,500,001 to \$ 3,000,000	10	27,280,640	10.54
\$ 3,000,001 to \$ 6,000,000	8	31,103,863	12.02
\$ 6,000,001 to \$ 9,000,000	5	34,650,521	13.39
\$ 9,000,001 to \$12,000,000	5	51,776,661	20.01
\$15,000,001 to \$18,000,000	1	16,974,785	6.56
\$18,000,001+	1	18,596,972	7.19
Total	103	\$258,764,596	100.00%

Average Cut-off Date Balance: \$2,512,278

The following tables set forth the range of original and remaining terms to stated maturity (in months) of the Mortgage Loans.

Original Terms to Stated Maturity (In Months)

<u>Range of Original Terms (in Months)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
60.....	5	\$ 7,515,156	2.90%
61 to 120.....	84	243,824,947	94.23
181 to 240.....	3	1,396,709	0.54
241 to 300.....	8	2,818,465	1.09
301 to 360.....	2	2,183,601	0.84
492.....	1	1,025,718	0.40
Total	<u>103</u>	<u>\$258,764,596</u>	<u>100.00%</u>

Weighted Average Original Term to Stated Maturity: 124 months

Remaining Terms to Stated Maturity (in Months) as of the Cut-off Date

<u>Range of Remaining Terms (in Months)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
26 to 60.....	70	\$201,156,734	77.74%
61 to 120.....	26	53,303,478	20.60
121 to 180.....	3	860,241	0.33
181 to 240.....	1	234,825	0.09
241 to 300.....	1	719,601	0.28
301 to 319.....	2	2,489,718	0.96
Total	<u>103</u>	<u>\$258,764,596</u>	<u>100.00%</u>

Weighted Average Remaining Term to Stated Maturity: 56 months

The following tables set forth the respective years in which the Mortgage Loans were originated and are scheduled to mature.

Years of Origination

<u>Range of Years</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
1972 to 1974.....	3	\$ 1,390,290	0.54%
1975 to 1979.....	6	2,778,668	1.07
1980 to 1984.....	2	808,758	0.31
1985 to 1986.....	19	30,537,780	11.80
1987 to 1988.....	48	179,071,182	69.20
1989 to 1990.....	20	32,323,185	12.49
1991.....	5	11,854,733	4.58
Total	<u>103</u>	<u>\$258,764,596</u>	<u>100.00%</u>

Years of Scheduled Maturity

<u>Range of Years</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
1995.....	4	\$ 5,501,537	2.13%
1996.....	18	31,514,501	12.18
1997.....	32	108,391,271	41.89
1998.....	19	69,993,783	27.05
1999.....	11	15,899,501	6.14
2000 to 2004.....	13	23,182,750	8.96
2005 to 2009.....	3	1,071,934	0.41
2018.....	1	719,601	0.28
2020.....	2	2,489,718	0.96
Total	<u>103</u>	<u>\$258,764,596</u>	<u>100.00%</u>

The following table sets forth the respective types of Mortgaged Properties.

Property Type

<u>Property Type</u>	<u>Number of Properties</u>	<u>Aggregate Cut-off Date Balance*</u>	<u>Percent of Initial Mortgage Pool Balance</u>
Multifamily Rental Property	67	\$184,191,112	71.18%
Cooperatively Owned Property.....	36	74,573,484	28.82
Total	<u>103</u>	<u>\$258,764,596</u>	<u>100.00%</u>

* Based on Cut-off Date Balances of the related Mortgage Loans.

The following table sets forth the range of Cut-off Date LTV Ratios of the Mortgage Loans. A “Cut-off Date LTV Ratio” is a fraction, expressed as a percentage, the numerator of which is the Cut-off Date Balance of a Mortgage Loan, and the denominator of which is the appraised value of the related Mortgaged Property as determined by the most recent appraisal contained in the Mortgage File with respect to such Mortgage Loan. In the case of Mortgage Loans secured by cooperatively owned property, the appraisals are based on the estimated values thereof as multifamily rental properties. A Cut-off Date LTV Ratio, because it is based on the value of a Mortgaged Property determined as of loan origination, is not necessarily a reliable measure of the borrower’s current equity, if any, in that Mortgaged Property. In a declining real estate market, as has been experienced nationwide in recent years (and, in particular in the New York City metropolitan area, where most of the Mortgaged Properties are located), the fair market value of some or all of the Mortgaged

Properties could have decreased from the value determined at origination, and the actual loan-to-value ratio of a Mortgage Loan may thus be higher than its Cut-off Date LTV Ratio.

Cut-off Date LTV Ratios

<u>Range of Cut-off Date LTV Ratios(%)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
11 to 20	4	\$ 4,101,381	1.58%
21 to 30	16	16,965,141	6.56
31 to 40	12	12,242,555	4.73
41 to 50	19	53,576,807	20.70
51 to 60	20	43,714,968	16.89
61 to 70	26	101,679,184	39.29
71 to 77	6	26,484,559	10.24
Total	<u>103</u>	<u>\$258,764,596</u>	<u>100.00%</u>

Weighted Average Cut-off Date LTV Ratio (All Mortgage Loans): 56%

Weighted Average Cut-off Date LTV Ratio
(Mortgage Loans Secured by Mortgaged Rental Properties): 61%

Weighted Average Cut-off Date LTV Ratio
(Mortgage Loans Secured by Cooperatively Owned Properties): 43%

The following table sets forth information regarding the number of residential units at the respective Mortgaged Properties.

Number of Residential Units at the Mortgaged Properties

<u>Number of Residential Units</u>	<u>Number of Mortgaged Properties</u>	<u>Aggregate Cut-off Date Balance*</u>	<u>Percent of Initial Mortgage Pool Balance</u>
5 to 25	15	\$ 6,643,570	2.57%
26 to 50	23	26,491,715	10.24
51 to 75	20	28,685,598	11.09
76 to 100	12	22,557,879	8.72
101 to 200	18	41,872,969	16.18
201 to 300	8	56,480,644	21.83
301 to 400	3	27,773,074	10.73
401 to 500	2	12,687,391	4.90
542	1	16,974,785	6.56
727	1	18,596,972	7.19
Total	<u>103</u>	<u>\$258,764,596</u>	<u>100.00%</u>

Weighted Average Number of Residential Units
(All Mortgaged Properties): 245 units*

Weighted Average Number of Residential Units
(Mortgaged Properties that are Rental Properties): 280 units*

Weighted Average Number of Residential Units
(Mortgaged Properties that are Cooperatively Owned): 158 units*

* Based on Cut-off Date Balances of the related Mortgage Loans.

The following table sets forth information with respect to the range of stated maturities of the Balloon Mortgage Loans in the Mortgage Pool.

Years of Stated Maturity of Balloon Mortgage Loans

<u>Year</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
1995.....	4	\$ 5,501,537	2.13%
1996.....	18	31,514,501	12.18
1997.....	31	108,213,894	41.82
1998.....	17	69,022,931	26.67
1999.....	10	15,886,109	6.14
2000.....	7	13,299,125	5.14
2001.....	4	9,841,114	3.80
Total	<u>91</u>	<u>\$253,279,210</u>	<u>97.88%</u>

The following table sets forth the range of Debt Service Coverage Ratios as of the Cut-off Date for those Mortgage Loans that are secured by multifamily rental properties. The “Debt Service Coverage Ratio” for any Mortgage Loan as of any date of determination is the ratio of (a) the Net Operating Income produced by the related Mortgaged Property for the most recent period (annualized if the period was less than one year) covered by an operating statement available to the Underlying Depositor to (b) the product of the amount of the Monthly Payment then in effect for such Mortgage Loan, multiplied by 12. “Net Operating Income” is the revenue derived from the use and operation of a Mortgaged Property (consisting primarily of, in the case of a Mortgaged Property that is a multifamily rental property, rental income, deposit forfeitures and fees derived from the use of parking areas and laundry facilities, if any) less operating expenses (such as utilities, general administrative expenses, management fees, advertising, repairs and maintenance) and less fixed expenses (such as insurance and real estate taxes). Net Operating Income generally does not reflect capital expenditures. The following table was prepared using operating statements obtained from the respective borrowers. In most cases, the information contained in such operating statements was unaudited, and the Underlying Depositor has made no attempt to verify its accuracy. In the most cases, December 31, 1992 was the last day of the period covered by the operating statement from which the related Debt Service Coverage Ratio set forth in the following table was calculated. None of the Debt Service Coverage Ratios set forth in the following table was calculated using an operating statement for a period ending prior to December 31, 1991. In addition, approximately 5.2% of the Mortgage Loans are secured by multifamily rental properties that currently benefit from a real property tax exemption and/or abatement pursuant to Section 11-243 of the New York City Administrative Code (“NYC Tax Benefits”), which benefit will cease, in whole or in part, prior to their respective stated maturities. The weighted average Debt Service Coverage Ratio for such Mortgage Loans as reflected in the following table is 1.51x. The weighted average Debt Service Coverage Ratio for such Mortgage Loans as of the Cut-off date, without regard to the above-referenced tax benefits, is 1.41x.

The following table does not include Debt Service Coverage Ratios for Mortgage Loans secured by cooperative properties. In most such cases the Debt Service Coverage Ratio as of the Cut-off Date would be approximately 1.00x because the related cooperative corporation is a non-profit organization and, unless a reserve fund is being funded or debt service is being paid on subordinate financing, the maintenance and special assessment payments by the tenant-shareholders are intended to equal expenses (including debt service obligations on the related Mortgage Loan, and after taking into account rents paid by commercial tenants).

**Cut-off Date Debt Service Coverage Ratios of the Mortgage Loans Not Secured
by Cooperatively Owned Mortgaged Properties***

<u>Range of Debt Service Coverage Ratios</u>	<u>Number of Mortgaged Properties</u>	<u>Aggregate Cut-off Date Balance</u>	<u>Percent of Initial Mortgage Pool Balance</u>
1.08 to 1.09	3	\$ 4,232,374	1.64%
1.10 to 1.19	8	24,670,090	9.53
1.20 to 1.29	9	43,575,297	16.84
1.30 to 1.39	6	10,245,964	3.96
1.40 to 1.49	7	50,000,648	19.32
1.50 to 1.59	3	5,809,656	2.25
1.60 to 1.69	5	8,911,688	3.44
1.70 to 1.79	6	6,020,144	2.33
1.80 to 1.89	4	2,857,079	1.10
1.90 to 1.99	2	851,158	0.33
2.00 to 2.09	2	10,773,269	4.16
2.10 to 2.19	2	3,030,383	1.17
2.20 to 2.29	2	7,430,173	2.87
2.40 to 2.49	1	494,074	0.19
2.60 to 2.69	1	569,620	0.22
2.70 to 2.79	1	1,464,000	0.57
3.00 to 3.09	1	1,523,896	0.59
3.20 to 3.29	2	1,698,828	0.66
3.80 to 3.89	1	13,392	0.01
5.86	1	19,379	0.01
Total	<u>67</u>	<u>\$184,191,112</u>	<u>71.18%</u>

* The Debt Service Coverage Ratio of each Mortgage Loan that currently benefits from NYC Tax Benefits reflects such benefits.

Weighted Average Debt Service Coverage Ratio: 1.51x

The following table sets forth information regarding the occupancy levels at those Mortgaged Properties that are multifamily rental properties. The table was prepared on the basis of the most recent rent roll available to the Underlying Depositor for each such Mortgaged Property, the dates of which rent rolls range from December 31, 1991 to March 25, 1993, with a weighted average date (based on the Cut-off Date Balances of the related Mortgage Loans) of December 27, 1992.

**Occupancy Levels at the Mortgaged Properties
that are Rental Properties**

<u>Occupancy(%)</u>	<u>Number of Mortgaged Properties</u>	<u>Aggregate Cut-off Date Balance*</u>	<u>Percent of Initial Mortgage Pool Balance</u>
80	1	\$ 19,379	0.01%
81 to 90	3	10,662,842	4.12
91 to 92	5	12,821,902	4.96
93 to 94	4	21,260,373	8.22
95 to 96	5	9,304,971	3.60
97 to 98	10	39,141,985	15.13
99 to 100	<u>39</u>	<u>90,979,658</u>	<u>35.16</u>
Total	<u>67</u>	<u>\$184,191,112</u>	<u>71.18%</u>

Weighted Average Occupancy Level: 97%

* Based on Cut-off Date Balances of the related Mortgage Loans.

The following table sets forth information regarding the percentage of sponsor and investor held units (*i.e.*, units not owned by the occupant) at the Mortgaged Properties that are cooperatively owned. See the

table entitled “Years in Which the Mortgaged Properties that are Cooperatively Owned were Converted” below. The table was prepared on the basis of information (generally obtained within the last 12 months) reported by sponsors to the New York State Attorney General (with certain exceptions), a review of the rent rolls, conversations with managing agents and, in certain situations, conversations with sponsors.

**Percentage of Sponsor and Investor Held Units
at the Cooperatively Owned Mortgaged Properties***

Percentage of Sponsor Held Units	Number of Mortgaged Properties	Aggregate Cut-off Date Balance**	Percent of Initial Mortgage Pool Balance
Less than 1%	7	\$ 7,847,123	3.03%
1 to 10	2	12,271,554	4.74
11 to 20	1	4,018,813	1.55
21 to 30	5	7,216,592	2.79
31 to 40	4	6,242,528	2.41
41 to 50	9	16,058,692	6.21
51 to 60	5	15,941,936	6.16
61 to 69	3	4,976,245	1.92
Total	<u>36</u>	<u>\$74,573,484</u>	<u>28.82%</u>

* If a cooperatively owned apartment building has a substantial percentage of non-owner occupied units that are occupied by tenants paying rent that does not cover the monthly maintenance charges allocated to such rental units, the failure of the owner(s) of those units to pay the shortfall could result in a shortfall in amounts necessary to pay the related Mortgage Loan debt service unless such unpaid maintenance charges are paid by the other unit owners of such apartment building.

** Based on Cut-off Date Balances of the related Mortgage Loans.

Weighted Average Percentage of Sponsor and Investor Held Units: 32%

The Mortgage Loans are secured by Mortgaged Properties located in 11 different states. The following table sets forth the states in which the Mortgaged Properties are located.

Geographic Distribution of the Mortgaged Properties (by State)

State	Number of Mortgaged Properties	Aggregate Cut-off Date Balance*	Percent of Initial Mortgage Pool Balance
California	2	\$ 17,551,691	6.78%
Florida	3	5,641,984	2.18
Georgia	1	2,972,711	1.15
Kansas	1	1,025,718	0.40
Louisiana	1	1,464,000	0.57
Missouri	1	6,250,689	2.42
New Jersey	2	8,137,871	3.14
New Mexico	1	2,341,347	0.90
New York	89	192,820,232	74.52
Pennsylvania	1	18,596,972	7.19
Texas	1	1,961,381	0.76
Total	<u>103</u>	<u>\$258,764,596</u>	<u>100.00%</u>

* Based on Cut-off Date Balances of the related Mortgage Loans.

Eighty-nine of the Mortgaged Properties are located in New York State. The following table sets forth the location of such Mortgaged Properties.

Geographic Distribution of the Mortgaged Properties in New York State

	Number of Mortgaged Properties	Aggregate Cut-off Date Balance*	Percent of Initial Mortgage Pool Balance
Briarcliff Manor	1	\$ 2,514,074	0.97%
Brighton, Monroe County	1	4,297,601	1.66
Bronx, NYC	5	15,062,328	5.82
Brooklyn, NYC	11	20,913,222	8.08
Clifton Park	1	2,052,272	0.79
East Patchogue	1	2,240,751	0.87
Great Neck	1	982,952	0.38
Hempstead	1	956,155	0.37
Long Beach	4	7,451,798	2.88
Manhattan, NYC	35	45,916,679	17.74
Manorville**	5	45,966,717	17.76
Monroe	1	904,459	0.35
Mount Kisco	1	667,309	0.26
Mount Vernon	1	9,425,281	3.64
New Rochelle	1	1,200,000	0.46
Port Jefferson	2	3,314,464	1.28
Port Jefferson Station	1	2,565,676	0.99
Queens, NYC	13	16,614,915	6.42
Watervliet	1	7,347,793	2.84
Yonkers	2	2,425,786	0.94
Total	<u>89</u>	<u>\$192,820,232</u>	<u>74.52%</u>

* Based on Cut-off Date Balances of the related Mortgage Loans.

** The five Mortgaged Properties located in Manorville (Suffolk County), New York represent security for approximately 17.8% of the Initial Mortgage Pool Balance and are each owned and managed by the same two individuals, or by entities controlled by those individuals. Three of those Mortgaged Properties are part of the same multifamily project, but each represents security for a separate, noncross-collateralized Mortgage Loan that in the aggregate represent 9.1% of the Initial Mortgage Pool Balance and that mature on March 1, 1997. The remaining two Mortgaged Properties are part of a nearby related multifamily project, with each representing security for a separate noncross-collateralized Mortgage Loan that matures on either July 1, 1997 or January 1, 1998. Concentration of borrowers in a pool of mortgage loans can pose increased risks. For instance, if a borrower that owns several Mortgaged Properties experiences financial difficulty at one Mortgaged Property, or at another income-producing property that it owns, it could attempt to avert foreclosure by filing a bankruptcy petition that might have the effect of delaying payments on all of the related Mortgage Loans for an indefinite period.

The following table sets forth the respective years in which the Mortgaged Properties were built.

Years in which the Mortgaged Properties were Built

Year of Construction	Number of Mortgaged Properties	Aggregate Cut-off Date Balance*	Percent of Initial Mortgage Pool Balance
1820 to 1839	1	\$ 263,176	0.10%
1840 to 1859	1	831,401	0.32
1860 to 1879	1	194,807	0.08
1880 to 1899	10	9,054,095	3.50
1900 to 1919	11	14,430,464	5.58
1920 to 1939	24	30,808,208	11.91
1940 to 1959	12	32,092,713	12.40
1960 to 1964	12	41,014,129	15.85
1965 to 1969	10	37,923,809	14.66
1970 to 1974	10	33,626,620	13.00
1975 to 1979	3	21,584,071	8.34
1980 to 1989	7	34,375,427	13.28
1990	1	2,565,676	0.99
Total	<u>103</u>	<u>\$258,764,596</u>	<u>100.00%</u>

* Based on Cut-off Date Balances of the related Mortgage Loans.

The following table sets forth the respective years in which the Mortgaged Properties that are cooperatively owned were converted to cooperative ownership.

**Years in Which the Mortgaged Properties that are
Cooperatively Owned were Converted**

Year of Conversion	Number of Mortgaged Properties	Aggregate Cut-off Date Balance*	Percent of Initial Mortgage Pool Balance
1954 to 1959	1	\$ 428,366	0.17%
1960 to 1969	2	3,946,044	1.52
1970 to 1979	3	1,754,665	0.68
1980 to 1982	4	8,167,502	3.16
1983 to 1985	14	38,276,668	14.79
1986 to 1988	5	8,893,294	3.44
1989 to 1991	6	10,568,520	4.08
1992	1	2,538,425	0.98
Total	<u>36</u>	<u>\$74,573,484</u>	<u>28.82%</u>

* Based on Cut-off Date Balances of the related Mortgage Loans.

Leasehold Mortgage. One Mortgage Loan, which represents 1.07% of the Initial Mortgage Pool Balance, is secured by a lien on the related mortgagor's leasehold interest in the related Mortgaged Property. However, the term of the related ground lease extends for 74 years beyond the term of such Mortgage Loan; and the related ground lease requires the lessor thereunder to give notice of any default by the lessee to the leasehold mortgagee, together with an opportunity to cure, and permits the leasehold estate to be assigned to and by the leasehold mortgagee.

Changes in Mortgage Pool Characteristics

The description herein of the Mortgage Pool and the Mortgaged Properties is based upon the Mortgage Pool as expected to be constituted at the time the Underlying Certificates are issued, as adjusted for the scheduled principal payments due on or before the Cut-off Date. Prior to the issuance of the Certificates, a Mortgage Loan may be removed from the Mortgage Pool if the Underlying Depositor deems such removal necessary or appropriate or if it is prepaid. A limited number of other mortgage loans may be included in the Mortgage Pool prior to the issuance of the Certificates, unless the inclusion of such mortgage loans would materially alter the characteristics of the Mortgage Pool as described herein. The Underlying Depositor believes that the information set forth herein will be representative of the characteristics of the Mortgage Pool as it will be constituted at the time the Certificates are issued, although the range of Mortgage Interest Rates and maturities, as well as the other characteristics of the Mortgage Loans described herein, may vary.

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

The following tax discussion, when read in conjunction with the discussion of "Certain Federal Income Tax Consequences" in the Multifamily REMIC Prospectus, describes the current federal income tax treatment of investors in the Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules. Investors should consult their own tax advisors in determining the federal, state, local and any other tax consequences to them of the purchase, ownership and disposition of the Certificates.

REMIC Election and Special Tax Attributes

An election will be made to treat the Trust as a REMIC for federal income tax purposes. The Certificates, other than the R Class, will be designated as the "regular interests," and the R Class will be designated as the "residual interest," in the REMIC constituted by the Trust.

As a consequence of the qualification of the Trust as a REMIC, the Certificates generally will be treated as "qualifying real property loans" for mutual savings banks and domestic building and loan associations, "regular or residual interests in a REMIC" for domestic building and loan associations, "real estate assets" for

real estate investment trusts, and, except for the R Class, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Class will be, and the A Class may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 6% CPR. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the Multifamily REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the Underlying REMIC will prepay at that or any other rate. See “Description of the Certificates—Weighted Average Life” herein and “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus. In addition, the A Class may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, the R Certificate will not have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of the R Certificate may not use its allowable deductions to offset any “excess inclusions” with respect to such Certificate. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the Multifamily REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 7.35% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the Multifamily REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of the R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

Merrill Lynch, Pierce, Fenner & Smith Incorporated will receive the Certificates in exchange for the Underlying Class A Certificates pursuant to a Fannie Mae commitment. Merrill Lynch, Pierce, Fenner & Smith Incorporated proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. Merrill Lynch, Pierce, Fenner & Smith Incorporated may effect such transactions to or through dealers.

LEGAL MATTERS

Certain legal matters will be passed upon for Fannie Mae by Mayer, Brown & Platt, Chicago, Illinois; and an opinion with respect to certain tax matters will be delivered to Fannie Mae by Dewey Ballantine, Washington, DC. Any purchaser of Certificates will be furnished upon request an opinion by the General Counsel or Deputy General Counsel of Fannie Mae as to the validity of the Certificates and the Trust Agreement.

GLOSSARY

A Certificate Rate: As defined herein under “Description of the Certificates—General—*Certificate Rates*” on page S-5.

A Class: As defined herein on the Prospectus Supplement cover page.

Accrued Certificate Interest: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest—Calculations of Interest*” on page S-16.

Advance: Any P&I Advance or Servicing Advance.

American: As defined herein under “Description of the Mortgage Pool—General” on page S-24.

ARM Mortgage Loan: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Assigned Asset Value: With respect to any Mortgage Loan (other than a Seriously Delinquent Loan or a Materially Modified Loan), as of any date of determination, the Stated Principal Balance of such Mortgage Loan as of the most recent Distribution Date coinciding with or preceding such date of determination. With respect to any Mortgage Loan that is a Seriously Delinquent Loan or a Materially Modified Loan, the lesser of (a) the Stated Principal Balance of such Mortgage Loan as of the most recent Distribution Date coinciding with or preceding such date of determination and (b) the appraised value of the related Mortgaged Property most recently determined as of such date of determination, reduced (to not less than zero) by the aggregate of (i) to the extent not previously advanced by the Underlying Servicer, all unpaid interest on such Mortgage Loan at a per annum rate equal to the Mortgage Interest Rate minus the Servicing Fee Rate, (ii) all unpaid Servicing Fees and unreimbursed Advances in respect of such Mortgage Loan and (iii) all currently due but unpaid real estate taxes and assessments, insurance premiums and, if applicable, ground rents in respect of the related Mortgaged Property. With respect to any REO Property, the appraised value of such REO Property most recently determined as of such date of determination, reduced (to not less than zero) by the aggregate of (i) to the extent not previously advanced by the Underlying Servicer, all unpaid interest on the related REO Loan at a per annum rate equal to the Mortgage Interest Rate minus the Servicing Fee Rate, (ii) all unpaid Servicing Fees and unreimbursed Advances in respect of such REO Property and/or the related REO Loan and (iii) all currently due but unpaid real estate taxes and assessments, insurance premiums and, if applicable, ground rents in respect of such REO Property.

Assumed Payment: With respect to any Balloon Mortgage Loan, for its stated maturity date (provided that it has not been paid in full on or before such date and no other Liquidation Event has occurred in respect thereof) and for any subsequent Due Date as of which it remains outstanding and part of the Underlying Trust Fund, the scheduled monthly payment of principal and/or interest deemed to be due in respect thereof on such Due Date equal to the Scheduled Payment in respect of such Balloon Mortgage Loan for the Due Date immediately prior to its stated maturity date. With respect to any REO Loan, for any Due Date as of which the related REO Property remains part of the Underlying Trust Fund, the scheduled monthly payment of principal and/or interest deemed to be due in respect thereof on such Due Date equal to the Scheduled Payment that would have been applicable in respect of the predecessor Mortgage Loan for such Due Date had it remained outstanding (or, if the predecessor Mortgage Loan was a Balloon Mortgage Loan and such Due Date coincides with or follows what had been its stated maturity date, the Assumed Payment that would have been deemed due in respect of the predecessor Mortgage Loan on such Due Date had it remained outstanding).

Available Distribution Amount: With respect to any Distribution Date an amount equal to (a) the sum of (i) the aggregate of the amounts on deposit in the Underlying Certificate Account and the Underlying Distribution Account as of the close of business on the last day of the related Due Period, (ii) the aggregate of any amounts that were on deposit in the Underlying Certificate Account and held for future distribution to Underlying Certificateholders, were used to make P&I Advances in respect of the preceding Distribution Date and were replaced by the Underlying Servicer after the last day of the related Due Period but on or before the related P&I Advance Date, (iii) the aggregate of all payments made by Mortgagors after the last day of the related Due Period but on or before the date specified in the Underlying Pooling and Servicing Agreement, the

extent that such payments constitute late collections of Scheduled Payments (other than Balloon Payments) due and Assumed Payments deemed due on a Due Date during or prior to the related Due Period, (iv) the aggregate amount of any P&I Advances made by the Underlying Servicer for such Distribution Date, as summarized under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest—P&I Advances*”, (v) the aggregate amount transferred from the Underlying REO Account (if established) to the Underlying Distribution Account for such Distribution Date, (vi) the aggregate amount deposited by the Underlying Servicer in the Underlying Distribution Account for such Distribution Date (without any right of reimbursement therefor) in connection with Prepayment Interest Shortfalls and Balloon Payment Interest Shortfalls related to Principal Prepayments and late payments of Balloon Payments, respectively, during the most recent Due Period, and (vii) in the case of the final Distribution Date, if applicable, any amounts paid by the Underlying Servicer or Underlying Depositor in connection with the purchase of all the Mortgage Loans and REO Properties then remaining in the Underlying Trust Fund as summarized under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Termination*,” net of (b) the aggregate portion of the amounts described in subclause (a)(i) hereof and, if and to the extent appropriate, any other subclause of clause (a) hereof that represents one or more of the following: (i) Monthly Payments paid by the Mortgagors that are due on a Due Date following the end of the related Due Period, (ii) any Principal Prepayments (together with any related payments of interest), liquidation proceeds or insurance proceeds received after the end of the related Due Period, (iii) any amounts payable or reimbursable to any person (other than the Underlying Certificateholders) from the Underlying Certificate Account and the Underlying Distribution Account, including to pay Servicing Fees, to reimburse P&I Advances and Servicing Advances and to cover Extraordinary Underlying Trust Fund Expenses, (iv) Prepayment Premiums, or (v) any amounts deposited in the Underlying Certificate Account or the Underlying Distribution Account, as the case may be, in error.

Balloon Mortgage Loan: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Balloon Payment: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Balloon Payment Interest Shortfall: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest—Payment of Prepayment Interest Shortfall*” on page S-18.

CERCLA: The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

Certificates: As defined herein on the Prospectus Supplement cover page.

Certificate Rate: The A Certificate Rate or N Certificate Rate.

Certificateholder or Holder: As defined herein under “Description of the Certificates—General—*Characteristics of Certificates*” on page S-5.

Chronically Delinquent Loan: As defined herein under the definition of “Extraordinary Underlying Trust Fund Expense” on page G-3.

Class: Collectively with respect to the Certificates, all of the Certificates bearing the same alphabetical class designation and, with respect to the Underlying Certificates, all of the Underlying Certificates bearing the same alphabetical class designation.

Code: As defined herein on the Prospectus Supplement cover page.

CPR: As defined herein under “Description of the Certificates—Structuring Assumptions—*CPR Assumptions*” on page S-10.

Cut-off Date: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Cut-off Date Balance: As defined herein under “Description of the Mortgage Pool—General” on page S-24.

Cut-off Date LTV Ratio: As defined herein under “Description of the Mortgage Pool—Additional Mortgage Loan Information” on page S-32.

Dealer: As defined herein on the Prospectus Supplement cover page.

Debt Service Coverage Ratio: As defined herein under “Description of the Mortgage Pool—Additional Mortgage Loan Information” on page S-34.

Distribution Date: As defined herein under “Description of the Certificates—General—*Distribution Dates*” on page S-5.

Due Date: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Due Period: As defined herein under “Description of the Certificates—General—*Certificate Rates*” on page S-6.

Environmental Assessment: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*” on page S-21.

Environmental Conditions Precedent to Foreclosure: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*” on page S-21.

Exempted Securities: As defined herein on the Prospectus Supplement cover page.

Extraordinary Underlying Trust Fund Expense: Any of the following expenses of the Underlying Trust Fund: (i) certain interest payable to the Underlying Servicer in respect of any Mortgage Loan and/or successor REO Loan as to which it has made at least 12 P&I Advances or as to which P&I Advances have been outstanding for a total of 365 days which need not be consecutive (a “Chronically Delinquent Loan”), (ii) the cost of remedial, corrective or other action with respect to certain actual or potential adverse environmental conditions or circumstances at a Mortgaged Property, (iii) the cost of an independent appraiser of a Mortgaged Property that is security for a defaulted Mortgage Loan, (iv) any indemnification amounts payable to the Underlying Servicer, the Underlying Trustee, the Underlying Depositor and the directors, officers, employees and agents thereof, (v) certain unanticipated federal, state and local taxes imposed on the Underlying Trust Fund or its assets and transactions and (vi) expenses related to certain opinions of counsel.

Fannie Mae: As defined herein under “Description of the Certificates—General—*Structure of the Trust*” on page S-4.

Fannie Mae Guaranty Rate: As defined herein under “The Trust Agreement—Compensation Payable to Fannie Mae” on page S-14.

FDIC: The Federal Deposit Insurance Corporation or any successor.

FHA: The Federal Housing Administration or any successor.

FHLBNY: As defined herein under “Description of the Mortgage Pool—The Indices—*FHLBNY Advance Rate Index*” on page S-27.

Final Distribution Date: As defined herein on the Prospectus Supplement cover page.

Final Due Period: With respect to any Mortgage Loan or any REO Property (and the related REO Loan), the Due Period during which a Liquidation Event has occurred in respect thereof.

Final Recovery Determination: A determination by the Underlying Servicer with respect to any defaulted Mortgage Loan or REO Property (other than a Mortgage Loan or REO Property, as the case may be, that was purchased by the Underlying Depositor as described under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Representations and Warranties; Repurchases*” or by the Underlying Depositor or Underlying Servicer as summarized under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Termination*”) that there has been a recovery of all insurance proceeds, liquidation proceeds and other payments or recoveries that the Underlying Servicer, in its reasonable and good faith judgment, exercised without regard to

any obligation of the Underlying Servicer to make payments from its own funds to cover certain deductible amounts under insurance policies covering the Mortgaged Property or REO Property, expects to be ultimately recoverable.

5-Year CMT Index: As defined herein under “Description of the Mortgage Pool—The Indices—*General*” on page S-26.

5-Year FHLBNY Advance Rate Index: As defined herein under “Description of the Mortgage Pool—The Indices—*General*” on page S-27.

Fixed Rate Mortgage Loan: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Gross Margin: As defined herein under “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Mortgage Interest Rates*” on page S-25.

Index: As defined herein under “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Mortgage Interest Rates*” on page S-25.

Information Statement: As defined herein on the Prospectus Supplement cover page.

Initial Mortgage Pool Balance: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Interest Accrual Period: As defined herein under “Description of the Certificates—Distributions of Interest—*General; Interest Accrual Period*” on page S-8.

Interest Distribution Amount: As defined herein under “Description of the Certificates—Distributions of Interest—*Interest Distribution Amount*” on page S-8.

Liquidation Event: With respect to any Mortgage Loan, any of the following events: (i) such Mortgage Loan is paid in full; (ii) a Final Recovery Determination is made with respect to such Mortgage Loan; (iii) such Mortgage Loan is repurchased by the Underlying Depositor as summarized under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Representations and Warranties; Repurchases*”; or (iv) such Mortgage Loan is purchased by the Underlying Depositor or Underlying Servicer as summarized under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Termination*”. With respect to any REO Property (and the related REO Loan), any of the following events: (i) a Final Recovery Determination is made with respect to such REO Property; or (ii) such REO Property is purchased by the Underlying Servicer or Underlying Depositor as summarized under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Termination*.”

Loan-to-Value Ratio: With respect to any mortgage loan or any number of mortgage loans secured by the same real property, as of any date of determination, the fraction, expressed as a percentage, the numerator of which is the then unpaid principal balance of such mortgage loan or the then aggregate unpaid principal balance of such mortgage loans, as the case may be, and the denominator of which is the then appraised value of the related mortgaged property.

Majority Underlying Class A Votemaker: As defined herein under “The Trust Agreement—Voting by Fannie Mae Under the Underlying Pooling and Servicing Agreement” on page S-15.

Materially Modified Loan: Any Mortgage Loan as to which, by reason of a bankruptcy or similar proceeding involving the related Mortgagor or a Modification of such Mortgage Loan granted or agreed to by the Underlying Servicer as summarized under “Description of the Underlying Trust Fund—Description of the Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*,” (i) the Mortgage Interest Rate in effect therefor is more than a number of basis points specified in the Underlying Pooling and Servicing Agreement less than the Mortgage Interest Rate that would otherwise be in effect, (ii) the Monthly Payment due thereon is more than a percentage specified in the Underlying Pooling and Servicing Agreement less than the Monthly Payment that would otherwise be due thereon, or (iii) the scheduled maturity date therefor has been extended for more than six months beyond the stated maturity date therefor.

Modification: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*” on page S-20.

Monthly Payment: With respect to any Mortgage Loan, for any Due Date as of which it is outstanding, the scheduled monthly payment of principal and/or interest on such Mortgage Loan that is actually payable by the related Mortgagor from time to time under the terms of the related Mortgage Note (as such terms may be changed or modified in connection with a bankruptcy or similar proceeding involving the related Mortgagor or a Modification of such Mortgage Loan granted or agreed to by the Underlying Servicer as described under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*”).

Mortgage: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Mortgage File: With respect to any Mortgage Loan, the related Mortgage Note, Mortgage and certain other related documents specified in the Underlying Pooling and Servicing Agreement.

Mortgage Interest Rate: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Mortgage Interest Rate Adjustment Date: As defined herein under “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Mortgage Interest Rates*” on page S-25.

Mortgage Interest Rate Reset Date: As defined herein under “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Mortgage Interest Rates*” on page S-25.

Mortgage Loan: As defined herein on the Prospectus Supplement cover page.

Mortgage Loan Schedule: The list of Mortgage Loans transferred to the Underlying Trustee as part of the Underlying Trust Fund and attached to the Underlying Pooling and Servicing Agreement as Schedule I.

Mortgage Note: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Mortgage Pool: As defined herein on the Prospectus Supplement cover page.

Mortgaged Property: As defined herein on the Prospectus Supplement cover page.

Mortgagor: The obligor or obligors on a Mortgage Note, including, without limitation, any person that purchased the related Mortgaged Property subject to the Mortgage and any person that has assumed the obligations of the original obligor under the Mortgage Note.

Multifamily REMIC: As defined herein on the Prospectus Supplement cover page.

Multifamily REMIC Prospectus: As defined herein on the Prospectus Supplement cover page.

N Class: As defined herein on the Prospectus Supplement cover page.

N Certificate Rate: As defined herein under “Description of the Certificates—General—*Certificate Rates*” on page S-6.

Net Mortgage Loan Principal Recovery Amount: As defined herein under the definition of “Underlying Class A Principal Distribution Amount” on page G-11.

Net Mortgage Interest Rate: As defined herein under “Description of the Certificates—General—*Certificate Rates*” on page S-6.

Net Operating Income: As defined herein under “Description of the Mortgage Pool—Additional Mortgage Loan Information” on page S-34.

Net REO Loan Principal Recovery Amount: As defined herein under the definition of “Underlying Class A Principal Distribution Amount” on page G-11.

NYC Tax Benefits: As defined herein under “Description of the Mortgage Pool—Additional Mortgage Loan Information” on page S-34.

Nonrecoverable Advance: A Nonrecoverable P&I Advance or a Nonrecoverable Servicing Advance.

Nonrecoverable P&I Advance: Any P&I Advance previously made in respect of a Mortgage Loan or REO Loan which, in the reasonable and good faith judgment of the Underlying Servicer, will not be ultimately recoverable either (i) from expected late collections of interest (net of Servicing Fees) on and principal of such Mortgage Loan or the REO Loan, as applicable, or (ii) out of amounts otherwise distributable on the Underlying Subordinate Certificates on any current or future Distribution Date.

Nonrecoverable Servicing Advance: Any Servicing Advance previously made in respect of a Mortgage Loan or REO Property which, in the reasonable and good faith judgment of the Underlying Servicer, will not be ultimately recoverable either (i) from payments, insurance proceeds, liquidation proceeds or other amounts expected to be collected on or in respect of such Mortgage Loan or REO Property, or (ii) out of amounts otherwise distributable on the Underlying Subordinate Certificates on any current or future Distribution Date.

Outstanding Underlying Class A Principal Shortfall: With respect to any Distribution Date subsequent to the initial Distribution Date is an amount equal to the excess, if any, of (a) the aggregate distributions of principal required to be made to the Underlying Class A Holders on the immediately preceding Distribution Date pursuant to clause (ii) under “Description of Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest—Priority*”, without regard to the extent of funds available for such purpose, over (b) the aggregate distributions of principal actually made to the Underlying Class A Holders on the immediately preceding Distribution Date pursuant to such clause (ii). The “Outstanding Underlying Class A Principal Shortfall” for the initial Distribution Date is zero.

P&I Advance: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest—P&I Advances*” on page S-18.

P&I Advance Date: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest—P&I Advances*” on page S-18.

Permitted Prepayment Period: As defined herein under “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*” on page S-25.

Prepayment Interest Shortfall: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest—Payment of Prepayment Interest Shortfalls*” on page S-18.

Prepayment Premium: As defined herein under “Description of the Certificates—Allocation of Prepayment Premiums” on page S-9.

Pricing Assumptions: As defined herein under “Description of the Certificates—Structuring Assumptions—*Pricing Assumptions*” on page S-9.

Principal Distribution Amount: As defined herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” on page S-9.

Principal Prepayment: As defined herein under “Description of the Certificates—Allocation of Prepayment Premiums” on page S-9.

Purchase Price: With respect to any Mortgage Loan to be purchased by (i) the Underlying Depositor as described under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Representations and Warranties; Repurchases*,” or (ii) the Underlying Depositor or Underlying Servicer as described under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Termination*,” a price generally equal to the unpaid principal balance of such Mortgage Loan as of the date of purchase, together with (a) all accrued and unpaid interest on such Mortgage Loan at the related Mortgage Interest Rate in effect from time to time to but not including the Due Date in the Due Period of purchase, and (b) all related unreimbursed Servicing Advances.

R Class: As defined herein on the Prospectus Supplement cover page.

Record Date: With respect to each Distribution Date, the last day of the immediately preceding month.

Regular Interests: As defined herein under “Description of the Certificates—General—*Structure of the Trust*” on page S-4.

Regulations: As defined herein under “Description of the Certificates—Characteristics of the R Class” on page S-14.

REMICs: As defined herein on the Prospectus Supplement cover page.

REMIC Provisions: Provisions of the federal income tax law relating to real estate mortgage investment conduits, which appear at Sections 860A through 860G of Subchapter M of Chapter 1 of the Code, and related provisions, and proposed, temporary and final Treasury regulations and any rulings promulgated thereunder, as the foregoing may be in effect from time to time.

REO Acquisition: The acquisition of an REO Property in accordance with the procedures summarized under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*.”

REO Extension: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*” on page S-22.

REO Loan: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Trust Certificates—*Distributions of Principal and Interest—Treatment of REO Properties*” on page S-18. Each REO Loan will be deemed to provide for monthly payments of principal and/or interest equal to its Assumed Payment and otherwise to have the same terms and conditions as its predecessor Mortgage Loan, including, without limitation, in the case of a Resettable Rate or ARM Mortgage Loan, with respect to the adjustment or adjustments of the related Mortgage Interest Rate (such terms and conditions to be applied without regard to the default on such predecessor Mortgage Loan). Each REO Loan will be deemed to have an initial Unpaid Principal Balance equal to the Unpaid Principal Balance of its predecessor Mortgage Loan as of the date of the related REO Acquisition. All Scheduled Payments (other than a Balloon Payment), Assumed Payments (in the case of a Balloon Mortgage Loan delinquent in respect of its Balloon Payment) and other amounts due and owing, or deemed to be due and owing, in respect of the predecessor Mortgage Loan as of the date of the related REO Acquisition, will be deemed to continue to be due and owing in respect of an REO Loan. All amounts payable or reimbursable to the Underlying Servicer in respect of the predecessor Mortgage Loan as of the date of the related REO Acquisition, including, without limitation, any unpaid Servicing Fees and any unreimbursed Servicing Advances and P&I Advances, together with (if the predecessor Mortgage Loan was a Chronically Delinquent Loan) any interest accrued and payable to the Underlying Servicer in respect of such unreimbursed P&I Advances, will continue to be payable or reimbursable to the Underlying Servicer in respect of an REO Loan. Collections in respect of each REO Loan (exclusive of amounts to be applied to the payment of, or to be reimbursed to the Underlying Servicer for the payment of, the costs of operating, managing and maintaining the related REO Property) will be treated in the following order of priority: (i) as a recovery of accrued and unpaid interest on such REO Loan at the related Mortgage Interest Rate (calculated without regard to any increase therein in connection with any Modification, granted or agreed to by the Underlying Servicer as summarized under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*”) in effect from time to time to but not including the Due Date in the Due Period of receipt; (ii) as a recovery of principal of such REO Loan to the extent of its entire Unpaid Principal Balance; and (iii) in accordance with the normal servicing practices of the Underlying Servicer, as a recovery of any other amounts due and owing in respect of such REO Loan, including, without limitation, penalty charges.

REO Property: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*General*” on page S-7.

Resettable Rate Mortgage Loan: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*The Mortgage Pool*” on page S-7.

Residual Interest: As defined herein under “Description of the Certificates—General—*Structure of the Trust*” on page S-4.

Riverhead: As defined herein under “Description of the Mortgage Pool—General” on page S-24.

Scheduled Payment: With respect to any Mortgage Loan, for any Due Date following the Cut-off Date as of which it is outstanding, the scheduled monthly payment of principal and/or interest on such Mortgage Loan that is or would be, as the case may be, payable by the related Mortgagor on such Due Date under the terms of the related Mortgage Note as in effect on the Closing Date, without regard to any subsequent change in or modification of such terms in connection with a bankruptcy or similar proceeding involving the related Mortgagor or a Modification of such Mortgage Loan granted or agreed to by the Underlying Servicer, as summarized under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments,*” and assuming that each prior Scheduled Payment has been made in a timely manner.

Scheduled Principal Balance: With respect to any Mortgage Loan is, as of the Cut-off Date, the Cut-off Date Balance, and is, as of any Due Date subsequent to the Cut-off Date, an amount (not less than zero) equal to the Cut-off Date Balance of such Mortgage Loan, reduced by the sum of: (a) the aggregate of the principal portions of all Scheduled Payments (other than any Balloon Payment) due, and of any Assumed Payments deemed due, in respect of such Mortgage Loan on all Due Dates subsequent to the Cut-off Date up to and including such Due Date, whether or not received or advanced; (b) the aggregate of all payments, insurance proceeds and liquidation proceeds received in respect of such Mortgage Loan during the period subsequent to the Cut-off Date through and including such Due Date that were identified and applied by the Underlying Servicer as recoveries of principal of such Mortgage Loan, in each case net of any portion of the particular payment or other collection which represents a recovery of the principal portion of any Scheduled Payment (other than a Balloon Payment) due, or of the principal portion of any Assumed Payment deemed due, in respect of such Mortgage Loan on a Due Date during or prior to the Due Period in which such payment or other collection was received; and (c) the principal portion of any Underlying Realized Loss incurred in respect of such Mortgage Loan during the period subsequent to the Cut-off Date through and including such Due Date. With respect to any REO Loan, as of any Due Date coinciding with or subsequent to the date of the related REO Acquisition, is an amount (not less than zero) equal to the Scheduled Principal Balance of the predecessor Mortgage Loan as of the Due Date preceding the date of the related REO Acquisition, reduced by the sum of: (x) the aggregate of the principal portions of all Assumed Payments deemed due in respect of such REO Loan on all Due Dates coinciding with or subsequent to the date of the related REO Acquisition up to and including such Due Date, whether or not collections received or advances made in respect of the related REO Property are sufficient to cover such Assumed Payments; (y) the aggregate of all revenues, insurance proceeds and liquidation proceeds, if any, received in respect of the related REO Property during the period from and including the date of the related REO Acquisition to and including such Due Date that were identified and applied by the Underlying Servicer as recoveries of principal of such REO Loan, in each case net of any portion of the particular collection which represents a recovery of the principal portion of any Scheduled Payment (other than a Balloon Payment) due, or of the principal portion of any Assumed Payment deemed due, in respect of such REO Loan (or the predecessor Mortgage Loan) on a Due Date during or prior to the Due Period in which such collection was received; and (z) the principal portion of any Underlying Realized Loss incurred in respect of such REO Loan during the period from and including the date of the related REO Acquisition to and including such Due Date.

Self-Amortizing Mortgage Loan: As defined herein under “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Monthly Payments*” on page S-25.

Seriously Delinquent Loan: Any Mortgage Loan that is at least 90 days delinquent in respect of its Balloon Payment (if any) or 90 days delinquent in respect of any other Scheduled Payment (such delinquency to be determined without regard to any grace period permitted by the related Mortgage or Mortgage Note), provided that no suitable arrangements have been made for the collection of the delinquent payments as summarized under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments.*”

Servicing Advances: The customary, reasonable and necessary out-of-pocket costs and expenses incurred by the Underlying Servicer, including attorneys’ fees and expenses and fees of real estate brokers incurred by it in the performance of its servicing obligations, including, without limitation, the costs incurred

by the Underlying Servicer in connection with (i) enforcing certain obligations of the Underlying Depositor in respect of representations and warranties regarding the Mortgage Loans, (ii) the preservation, restoration and protection of a Mortgaged Property or any REO Property, (iii) advances of real estate taxes, assessments, leasehold payments and other similar items and premiums on insurance policies, (iv) obtaining insurance and liquidation proceeds, (v) any enforcement or judicial proceedings with respect to a defaulted Mortgage Loan, including foreclosures, and (vi) the operation, management, maintenance and liquidation of any REO Property.

Servicing Fee: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Underlying Servicer and Trustee Compensation*” on page S-22.

Servicing Fee Rate: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Underlying Servicer and Trustee Compensation*” on page S-22.

Servicing Standard: The diligent servicing and administration of the Mortgage Loans on behalf of the Underlying Trustee and in the best interests of and for the benefit of the Certificateholders (as determined by the Underlying Servicer in its good faith and reasonable judgment and without regard to any differing payment priorities among the respective Classes of Certificateholders) in accordance with applicable law, the terms of the Underlying Pooling and Servicing Agreement and the terms of the respective Mortgage Loans and, to the extent consistent with the foregoing, in the same manner as would prudent institutional mortgage lenders and loan servicers servicing mortgage loans comparable to the Mortgage Loans in the jurisdictions where the Mortgaged Properties are located and as would a prudent institutional mortgage lender if it were the owner of the Mortgage Loans, and with a view to the maximization of timely and complete recovery of principal and interest on the Mortgage Notes, but without regard to: (i) any relationship that the Underlying Servicer or any of its affiliates may have with the related Mortgagor; (ii) the ownership of any Certificate by the Underlying Servicer or any of its affiliates; (iii) the Underlying Servicer’s obligation to make P&I Advances and Servicing Advances; (iv) the Underlying Servicer’s right to receive compensation for its services under the Underlying Pooling and Servicing Agreement or with respect to any particular transaction; or (v) any amounts other than principal and interest payable to Certificateholders.

Settlement Date: As defined herein on the Prospectus Supplement cover page.

State Street: As defined herein under “Description of the Certificates—General—*Characteristics of Certificates*” on page S-5.

Stated Principal Balance: With respect to any Mortgage Loan, as of any Distribution Date, an amount (not less than zero) equal to the Cut-off Date Balance of such Mortgage Loan, reduced by: (a) the aggregate of all payments, insurance proceeds and liquidation proceeds received in respect of such Mortgage Loan during the period subsequent to the Cut-off Date through and including the most recent Due Date that were identified and applied as recoveries of principal of such Mortgage Loan, in each case net of any portion of the particular payment or other collection that represents a late collection of principal due on or before the Cut-off Date or for which a P&I Advance was previously made for a prior Distribution Date; (b) any payments made by the related Mortgagor subsequent to the most recent Due Date through and including the related P&I Advance Determination Date that represent late collections of principal not otherwise reimbursable to the Underlying Servicer for a P&I Advance made in respect of such Mortgage Loan for a prior Distribution Date; (c) the aggregate of the principal portions of all P&I Advances, if any, made by the Underlying Servicer in respect of such Mortgage Loan for such Distribution Date and all prior Distribution Dates; and (d) the principal portion of any Underlying Realized Loss incurred in respect of such Mortgage Loan during the period subsequent to the Cut-off Date through and including the most recent Due Date. With respect to any REO Loan, as of any Distribution Date, an amount (not less than zero) equal to the Stated Principal Balance of the predecessor Mortgage Loan as of the Distribution Date preceding the date of the related REO Acquisition, reduced by: (x) the aggregate of the principal portions of all P&I Advances made by the Underlying Servicer in respect of such REO Loan (or, if applicable, the predecessor Mortgage Loan) for such Distribution Date and all prior Distribution Dates that coincide with or are subsequent to the date of the related REO Acquisition; (y) if such Distribution Date occurs in a Due Period subsequent to the Due Period

in which the related REO Acquisition occurred, the aggregate of all revenues, insurance proceeds and liquidation proceeds, if any, received in respect of the related REO Property during the period from and including the date of the related REO Acquisition to and including the most recent Due Date that were identified and applied as recoveries of principal of such REO Loan, in each case net of any portion of the particular collection that represents a late collection of principal for which a P&I Advance was previously made for a prior Distribution Date; and (z) if such Distribution Date occurs in a Due Period subsequent to the Due Period in which the related REO Acquisition occurred, the principal portion of any Underlying Realized Loss incurred in respect of such REO Loan during the period from and including the date of the related REO Acquisition to and including the most recent Due Date.

Trust: As defined herein on the Prospectus Supplement coverage page.

Trust Account: The one or more trust accounts created pursuant to the Trust Agreement into which will be deposited all distributions on the Underlying Class A Certificates and all investments of, and investment income from, such moneys.

Trust Agreement: As defined herein under “Description of the Certificates—General—*Structure of the Trust*” on page S-4.

Underlying Certificate Account: The segregated account or accounts created and maintained by the Underlying Servicer into which payments (other than escrow payments) and certain other collections on or in respect of Mortgage Loans, including insurance proceeds and liquidation proceeds, will initially be deposited.

Underlying Certificate Balance: With respect to any Underlying Certificate, as of any date of determination, the then outstanding principal amount of such Underlying Certificate equal to the product of (a) the Underlying Percentage Interest evidenced by such Underlying Certificate, multiplied by (b) the then Class Balance of the Class of Underlying Certificates to which such Underlying Certificate belongs.

Underlying Certificateholders or Underlying Holders: As defined herein under “Description of the Certificates—General—*Underlying Certificate Distributions*” on page S-4.

Underlying Class Balance: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*General*” on page S-16.

Underlying Class A Balance: The Underlying Class Balance of the Underlying Class A Certificates.

Underlying Class A Certificates: As defined herein on the Prospectus Supplement cover page.

Underlying Class A Certificateholders or Underlying Class A Holders: As defined herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” on page S-9.

Underlying Class A Control Period: As defined herein under “The Trust Agreement—Voting by Fannie Mae Under the Underlying Pooling and Servicing Agreement” on page S-14.

Underlying Class A Ownership Percentage: As of any date of determination prior to the initial Distribution Date, 89%. As of any date of determination coinciding with or following the initial Distribution Date, the lesser of (a) 100% and (b) a fraction, expressed as a percentage, the numerator of which is the Underlying Class A Balance as of such date of determination, and the denominator of which is the aggregate Stated Principal Balance of the Mortgage Loans and any REO Loans as of the most recent Distribution Date coinciding with or preceding such date of determination.

Underlying Class A Principal Distribution Amount: With respect to any Distribution Date, an amount equal to the sum of the following:

- (i) the product of (A) the Underlying Class A Principal Distribution Percentage for such Distribution Date, multiplied by (B) the sum of the following:
- (1) with respect to those Mortgage Loans included in the Underlying Trust Fund as of the end of the related Due Period, the aggregate of the principal portions of all Scheduled Payments (other than Balloon Payments) due, and of any Assumed Payments deemed due, in respect thereof on the Due Date during the related Due Period, whether or not received or advanced;

- (2) with respect to any REO Properties included in the Underlying Trust Fund as of the end of the related Due Period, the aggregate of the principal portions of all Assumed Payments deemed due in respect of the related REO Loans on the Due Date during the related Due Period, whether or not collections received or advances made in respect of such REO Properties are sufficient to cover such Assumed Payments;
- (3) with respect to those Mortgage Loans included in the Underlying Trust Fund as of the end of the related Due Period, the aggregate of all payments, insurance proceeds and liquidation proceeds received thereon during the related Due Period that were identified and applied by the Underlying Servicer as recoveries of principal of such Mortgage Loans, in each case net of any portion of such amounts that represents a recovery of the principal portion of any Scheduled Payment (other than a Balloon Payment) due, or of the principal portion of any Assumed Payment deemed due, in respect of the related Mortgage Loan on a Due Date during or prior to the related Due Period and not previously received (as to any Mortgage Loan, the “Net Mortgage Loan Principal Recovery Amount”); and
- (4) with respect to any REO Properties included in the Underlying Trust Fund as of the end of the related Due Period, the aggregate of all revenues, insurance proceeds and liquidation proceeds received in respect thereof during the related Due Period that were identified and applied by the Underlying Servicer as recoveries of principal of the related REO Loans, in each case net of any portion of such amounts that represents a recovery of the principal portion of any Scheduled Payment (other than a Balloon Payment) due, or of the principal portion of any Assumed Payment deemed due, in respect of the related REO Loan or the predecessor Mortgage Loan on a Due Date during or prior to the related Due Period and not previously received (as to any REO Loan, the “Net REO Loan Principal Recovery Amount”);

(ii) with respect to any Mortgage Loan as to which a Liquidation Event occurred during the related Due Period, an amount equal to the lesser of (A) the product of (1) the Underlying Class A Principal Distribution Percentage for such Distribution Date, multiplied by (2) the Scheduled Principal Balance of such Mortgage Loan as of the Due Date in the second preceding Due Period, and (B) the Net Mortgage Loan Principal Recovery Amount received in respect of such Mortgage Loan during the related Due Period; and

(iii) with respect to any REO Property as to which a Liquidation Event occurred during the related Due Period, an amount equal to the lesser of (A) the product of (1) the Underlying Class A Principal Distribution Percentage for such Distribution Date, multiplied by (2) the Scheduled Principal Balance of the related REO Loan (or, if applicable, the predecessor Mortgage Loan) as of the Due Date in the second preceding Due Period, and (B) the Net REO Loan Principal Recovery Amount received in respect of such REO Loan during the related Due Period.

Underlying Class A Principal Distribution Percentage: As defined generally in “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” on page S-9, and defined more specifically in the Underlying Pooling and Servicing Agreement.

Underlying Class B Balance or Underlying Class C Balance: The Underlying Class Balance of the Underlying Class B Certificates or Underlying Class C Certificates, respectively.

Underlying Class B Certificates: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*General*” on page S-7.

Underlying Class B Certificateholder or Underlying Class B Holder: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest—Subordination*” on page S-17.

Underlying Class C Certificates: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*General*” on page S-7.

Underlying Class C Certificateholder or Underlying Class C Holder: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*Distributions of Principal and Interest—Subordination*” on page S-17.

Underlying Class R Certificateholder or Underlying Class R Holder: As defined herein under “The Trust Agreement—Voting by Fannie Mae Under the Underlying Pooling and Servicing Agreement” on page S-15.

Underlying Class R Certificate: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*General*” on page S-7.

Underlying Depositor: As defined herein on the Prospectus Supplement cover page.

Underlying Distribution Account: The segregated account or accounts created and maintained by the Underlying Trustee in trust for Underlying Certificateholders into which amounts to be distributed to Underlying Certificateholders are deposited, including amounts transferred monthly from the Underlying Certificate Account and the Underlying REO Account, amounts deposited by the Underlying Servicer in connection with Prepayment Interest Shortfalls, Balloon Payment Interest Shortfalls and P&I Advances and, in the event the Underlying Depositor or the Underlying Servicer purchases the Mortgage Loans and the REO Properties, as described under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Termination*,” the relevant aggregate purchase price.

Underlying Pass-Through Rate: As defined herein under “Description of the Certificates—General—*Certificate Rates*” on page S-5.

Underlying Percentage Interest: With respect to any Underlying REMIC Regular Certificate, the portion of the relevant Class evidenced by such Underlying Certificate, expressed as a percentage, the numerator of which is the Underlying Certificate Balance of such Underlying Certificate as of the Settlement Date, as specified on the face thereof, and the denominator of which is the original Class Balance of the relevant Class. With respect to a Underlying Class R Certificate, the percentage interest in distributions to be made with respect to such Class, as stated on the face of such Underlying Certificate.

Underlying Pooling and Servicing Agreement: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*General*” on page S-6.

Underlying Realized Loss: With respect to any Mortgage Loan as to which there has been made, or any REO Loan as to which there has been made with respect to the related REO Property, a Final Recovery Determination, an amount equal to the sum of: (i) the amount, if any, by which (A) the Stated Principal Balance of such Mortgage Loan or such REO Loan, as the case may be, as of the Distribution Date in the applicable Final Due Period, together with interest on such Stated Principal Balance at the related Mortgage Interest Rate (calculated without regard to any increase therein in connection with any Modification granted or agreed to by the Underlying Servicer) in effect from time to time (net of the Servicing Fee Rate) from the most recent Due Date prior to the applicable Final Due Period to which interest on such Mortgage Loan or such REO Loan, as the case may be, was last collected or advanced, to but not including the Due Date in such Due Period, exceeds (B) the aggregate amount of net liquidation proceeds, net insurance proceeds and, if applicable, net revenues, in each case, if any, received in respect of such Mortgage Loan or such REO Loan, as the case may be, during the applicable Final Due Period, and (ii) the aggregate of all related Nonrecoverable P&I Advances and Nonrecoverable Servicing Advances remaining unreimbursed from the liquidation proceeds, insurance proceeds and, if applicable, revenues, in each case if any, received in respect of such Mortgage Loan or such REO Loan, as the case may be, during the applicable Final Due Period. In addition, “Underlying Realized Losses” include any principal of a Mortgage Loan that is forgiven, and any reduction of interest on a Mortgage Loan arising from a bankruptcy or similar proceeding involving the related Mortgagor or a modification, waiver or amendment of such Mortgage Loan granted or approved by the Underlying Servicer in compliance with the Underlying Pooling and Servicing Agreement.

Underlying REMIC: As defined herein on the Prospectus Supplement cover page.

Underlying REMIC Regular Certificate: Any Underlying Class A, Class B or Class C Certificate.

Underlying REMIC Regular Interests: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*General*” on page S-7.

Underlying REMIC Residual Interests: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*General*” on page S-7.

Underlying REO Account: The segregated custodial account or accounts maintained by the Underlying Servicer into which are deposited the revenues, insurance proceeds and liquidation proceeds received in respect of an REO Property.

Underlying Servicer: As defined under “Description of the Certificates—Structure of the Underlying Trust Fund—*General*” on page S-7.

Underlying Subordinate Certificates: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Certificates—*General*” on page S-15.

Underlying Subordinate Ownership Percentage: As of any date of determination, 100% minus the then Underlying Class A Ownership Percentage.

Underlying Trust Fund: As defined herein on the Prospectus Supplement cover page.

Underlying Trustee: As defined herein under “Description of the Certificates—Structure of the Underlying Trust Fund—*General*” on page S-7.

Underlying Trustee’s Fee Rate: As defined herein under “Description of the Underlying Trust Fund—Description of the Underlying Pooling and Servicing Agreement—*Underlying Servicer and Trustee Compensation*” on page S-22.

Underlying Voting Rights: As defined herein under “The Trust Agreement—Voting by Fannie Mae Under the Underlying Pooling and Servicing Agreement” on page S-14.

Unpaid Principal Balance: With respect to any Mortgage Loan, as of any date of determination, an amount (not less than zero) equal to the Cut-off Date Balance of such Mortgage Loan, reduced by (a) all payments, insurance proceeds and liquidation proceeds received in respect of such Mortgage Loan subsequent to the Cut-off Date but on or before such date of determination that were identified and applied by the Underlying Servicer as recoveries of principal of such Mortgage Loan, net of any portion thereof that represents a late collection of principal due on or before the Cut-off Date, and (b) the principal portion of any Underlying Realized Loss incurred in respect of such Mortgage Loan subsequent to the Cut-off Date but on or before such date of determination. With respect to any REO Loan, as of any date of determination, an amount (not less than zero) equal to the Unpaid Principal Balance of the predecessor Mortgage Loan as of the date of the related REO Acquisition, reduced by (x) all revenues, insurance proceeds and liquidation proceeds received in respect of the related REO Property on or after the date of the related REO Acquisition but on or before such date of determination that were identified and applied by the Underlying Servicer as recoveries of principal of such REO Loan, and (y) the principal portion of any Underlying Realized Loss incurred in respect of such REO Loan on or after the date of the related REO Acquisition but on or before such date of determination.

U.S. Person: A citizen or resident of the United States, a corporation, partnership or other entity created or organized in, or under the laws of, the United States or any political subdivision thereof, or an estate or trust whose income from sources without the United States is includible in gross income for United States federal income tax purposes regardless of its connection with the conduct of a trade or business within the United States.

Weighted Average Net Mortgage Interest Rate: As defined herein under “Description of the Certificates—*General—Certificate Rates*” on page S-6.

Exhibit A

Mortgage Loan Number	Mortgaged Property Address	City	State	Zip Code	Cut-off Date Balance	Mortgage Interest Rate	First Monthly Payment Date	Current Monthly Principal and Interest Payment	Mortgage Interest Rate Adjustment Frequency	Monthly Payment Adjustment Frequency	Next Mortgage Interest Rate Adjustment Date	Next Monthly Payment Adjustment Date	Original Amortization Term	Original Interest Only Months	Maturity Date
7773	62-82 SAUNDERS STREET	QUEENS	NY	11374	494074.29	8.625000	10/01/1987	4068.34	Fixed	Fixed			360	0	09/01/1997
7906	82-15 35TH STREET	QUEENS	NY	11377	471986.91	8.625000	10/01/1987	3886.47	Fixed	Fixed			360	0	09/01/1997
18663	184 COLUMBIA HEIGHTS	BROOKLYN	NY	11201	428365.63	8.750000	09/01/1987	3566.83	Fixed	Fixed			360	0	08/01/1997
22590	105 WEST 73RD ST	MANHATTAN	NY	10023	1253373.40	9.000000	05/01/1988	10460.09	60 Mo.	60 Mo.	06/01/1997	07/01/1997	360	0	04/01/1998
22624	299 RIVERSIDE DRIVE	MANHATTAN	NY	10151	2352713.30	9.000000	04/01/1989	24138.68	60 Mo.	60 Mo.	03/01/1994	04/01/1994	360	0	03/01/1999
22863	35-38 29TH STREET	QUEENS	NY	11372	13392.22	8.500000	03/01/1974	257.68	Fixed	Fixed			300	0	02/01/1999
23010	114 WEST 70TH STREET	MANHATTAN	NY	10023	1445171.50	9.000000	05/01/1988	12069.34	60 Mo.	60 Mo.	06/01/1997	07/01/1997	360	0	04/01/1998
24505	67 VESTRY STREET	MANHATTAN	NY	10013	177377.59	9.750000	12/01/1977	4577.50	Fixed	Fixed			240	0	11/01/1997
24539	400 EAST 58TH STREET	MANHATTAN	NY	10021	4759930.70	8.375000	11/01/1987	38360.34	Fixed	Fixed			360	0	10/01/1997
25486	46-12 30TH AVE	QUEENS	NY	11102	19379.30	8.500000	09/01/1978	241.57	Fixed	Fixed			300	0	08/01/2003
27953	330 EAST 83RD STREET	MANHATTAN	NY	10028	1798817.30	9.680000	12/01/1986	16251.82	Fixed	Fixed			360	0	11/01/1996
28068	55-61 WEST 92ND STREET	MANHATTAN	NY	10025	978636.56	10.250000	04/01/1990	8966.67	60 Mo.	60 Mo.	04/01/1995	05/01/1995	360	0	03/01/2000
418988	423 WEST 144TH STREET	MANHATTAN	NY	10031	23131.51	9.750000	11/01/1979	285.17	Fixed	Fixed			300	0	10/01/2004
423186(1)	217 EAST 33RD STREET	MANHATTAN	NY	10016	1248287.60	9.625000	07/01/1987	12526.74	Fixed	Fixed		07/01/1994	269	0	06/01/1997
423368	5009-21 BROADWAY	MANHATTAN	NY	10034	1191313.90	9.625000	07/01/1987	11453.31	Fixed	Fixed			300	0	06/01/1997
469239	321-323 & 328-334 WEST 47TH STREET	MANHATTAN	NY	10036	573933.08	12.500000	02/01/1982	7408.94	Fixed	Fixed			300	0	01/01/2007
469734	1610 LENOX AVENUE	MIAMI BEACH	FL	33139	393945.66	8.500000	10/01/1973	8058.33	Fixed	Fixed			300	0	09/01/1998
470997	18 EAST 10TH STREET	MANHATTAN	NY	10003	194806.88	10.375000	07/01/1986	1861.79	Fixed	Fixed			358	0	06/01/1996
478073	315 EAST 95TH STREET	MANHATTAN	NY	10028	993470.73	8.250000	07/01/1987	7473.18	Fixed	Fixed			359	0	06/01/1997
479535	140-55 BURDEN CRESCENT	QUEENS	NY	10003	962869.28	8.125000	09/01/1988	7521.09	Fixed	Fixed			360	0	08/01/1998
481267	229 EAST 84TH STREET	MANHATTAN	NY	10028	1239845.30	9.625000	06/01/1987	11356.12	Fixed	Fixed			261	0	05/01/1997
482018	770 NEW YORK AVENUE	BROOKLYN	NY	11203	1069002.30	8.750000	09/01/1987	8901.23	Fixed	Fixed			360	0	08/01/1997
482893	44 WEST 71ST STREET	MANHATTAN	NY	10023	567744.13	10.750000	12/01/1989	5418.17	60 Mo.	60 Mo.	12/01/1994	01/01/1995	360	0	11/01/1999
483107	34-21 AND 34-41 77TH STREET	QUEENS	NY	11372	1995692.30	10.250000	11/01/1989	18843.13	60 Mo.	60 Mo.	10/01/1994	11/01/1994	324	0	10/01/1999
485243	194 BAY 22ND STREET	BROOKLYN	NY	11214	234824.79	11.100000	12/01/1984	2602.80	60 Mo.	60 Mo.	12/01/1994	01/01/1995	300	0	11/01/2009
487538	211 THOMPSON STREET	MANHATTAN	NY	10012	2871430.60	10.375000	02/01/1989	25471.67	60 Mo.	60 Mo.	01/01/1994	02/01/1994	300	0	01/01/1999
488429	98-181 PEARSALL DR AND 670 E. LINCOLN	MOUNT VERNON	NY	10552	9425281.20	7.750000	10/01/1988	71191.86	Fixed	Fixed			360	0	09/01/1998
489815	125 OAKDALE AVENUE	SALINA	KS	67401	1025718.00	7.375000	04/01/1980	7351.49	Fixed	Fixed			480	0	03/01/2020
493239	333 EAST 95TH STREET	MANHATTAN	NY	10028	773721.56	7.250000	04/01/1993	5303.35	Fixed	Fixed			360	0	09/01/1997
493510	408-24 EAST 51ST STREET	MANHATTAN	NY	10022	2762922.70	10.240000	06/01/1986	25070.02	Fixed	Fixed			360	0	05/01/1996
493809	39 JANE ST. & 30 HORATIO ST.	MANHATTAN	NY	10014	1068765.10	10.830000	07/01/1986	10553.81	Fixed	Fixed			300	0	06/01/1996
494138	162-64 EAST 82ND STREET	MANHATTAN	NY	10028	831401.00	11.000000	09/01/1986	8303.35	Fixed	Fixed			300	0	08/01/1996
494351	790-792 AMSTERDAM AVENUE	MANHATTAN	NY	10025	1555003.30	10.875000	09/01/1986	16458.12	Fixed	Fixed			300	0	08/01/1996
494658	56-58 PERRY STREET	MANHATTAN	NY	10014	569620.02	10.375000	10/01/1986	5429.35	Fixed	Fixed			360	0	09/01/1996
494682	225 W. 80TH STREET	MANHATTAN	NY	10024	2923289.90	9.810000	09/01/1986	26173.59	Fixed	Fixed			360	0	08/01/1996
494724	711 SHORE ROAD	LONG BEACH	NY	11561	1655192.10	10.375000	10/01/1986	15791.93	Fixed	Fixed			360	0	09/01/1996
494971	875 BOULEVARD EAST	WEEHAWKEN	NJ	07087	1701168.80	9.750000	11/01/1986	15467.88	Fixed	Fixed			360	0	10/01/1996
494989	28 BARKER STREET	MOUNT KISCO	NY	10549	667309.05	9.900000	11/01/1986	5873.79	Fixed	Fixed			360	0	10/01/1996
494997	305 EAST 83RD STREET	MANHATTAN	NY	10028	1183121.50	9.900000	11/01/1986	10878.00	Fixed	Fixed			360	0	10/01/1996
495010	600 PELHAM ROAD	NEW ROCHELLE	NY	10805	1200000.00	10.000000	02/01/1990	10000.00	60 Mo.	60 Mo.	01/01/1995	02/01/1995	360	60	01/01/2000
495580	75 LIVINGSTON STREET	BROOKLYN	NY	11201	4018813.40	9.125000	01/01/1987	34758.68	Fixed	Fixed			300	0	12/01/1996
495986	9556 GLEN OWEN ROAD	FERGUSON	MO	63136	6250688.90	7.000000	01/01/1987	36462.35	Fixed	Fixed			1Q	120	12/01/1996
496364	3250 PERRY AVENUE	BRONX	NY	10467	950237.54	8.970000	04/01/1987	8094.09	Fixed	Fixed			359	0	03/01/1997
496562	W/S WADING RIVER ROAD	MANORVILLE	NY	11949	9005409.80	9.500000	04/01/1987	79943.24	Fixed	Fixed			300	0	03/01/1997
496570	S/W CORNER MID.ISLAND RD & MEADOWWOODS	MANORVILLE	NY	11949	7332273.50	9.500000	04/01/1987	65090.40	Fixed	Fixed			300	0	03/01/1997
496588	WADING RIVER ROAD	MANORVILLE	NY	11949	7283063.70	9.500000	04/01/1987	64653.55	Fixed	Fixed			300	0	03/01/1997
496760	118 8TH AVENUE	BROOKLYN	NY	10176	1700000.00	9.750000	07/01/1993	13812.50	Fixed	Fixed			1Q	46	04/01/1997
496836	1668 CHANDLER DRIVE	FAIRLAWN	NJ	07410	6436702.00	9.875000	05/01/1987	56812.50	Fixed	Fixed			360	0	04/01/1997
497156	17580 NW 68TH AVENUE	MIAMI	FL	33015	3234420.00	9.375000	07/01/1987	28354.96	Fixed	Fixed			360	0	06/01/1997
497321(2)	235 EAST 82ND STREET	MANHATTAN	NY	10021	1236531.60	9.625000	07/01/1987	13104.55	Fixed	Fixed		07/01/1994	262	0	06/01/1997
497503	25 FRANKLIN BOULEVARD	LONG BEACH	NY	11561	1521450.10	9.625000	08/01/1987	13586.69	Fixed	Fixed			360	0	07/01/1997
497511	465 SHORE ROAD	LONG BEACH	NY	11561	1523896.20	9.625000	08/01/1987	13608.54	Fixed	Fixed			360	0	07/01/1997
497750	403-21 AVENUE C	BROOKLYN	NY	11218	2846273.00	9.625000	08/01/1987	25416.75	Fixed	Fixed			360	0	07/01/1997
497875	NWC MORICHES MIDDLE ISLAND ROAD	MANORVILLE	NY	11955	11851886.00	9.375000	08/01/1987	103802.80	Fixed	Fixed			300	0	07/01/1997
498154	MILL CREEK RD AT RT 13	FALLTOWNSHIP	PA	18940	18596972.00	8.750000	09/01/1987	154849.61	Fixed	Fixed			360	0	08/01/1997
498238	31 LAKE SHORE DRIVE	WATERVLIET	NY	12189	7347793.00	8.680000	09/01/1987	66002.85	Fixed	Fixed			300	0	08/01/1997
499327	145 VALENTINE LANE	YONKERS	NY	10705	1710499.40	8.375000	11/01/1987	13782.87	Fixed	Fixed			360	0	10/01/1997
499426	999 EAST HENRIETTA ROAD	BRIGHTON, MONROE COUNTY	NY	14623	4297600.80	8.875000	12/01/1987	36037.49	Fixed	Fixed			360	0	11/01/1997
499822	67-30 CLYDE STREET	QUEENS	NY	11375	1384782.20	8.875000	11/01/1987	11612.08	Fixed	Fixed			360	0	10/01/1997
501577	645 BELLE TERRE ROAD	PORT JEFFERSON	NY	11776	3051288.00	9.250000	01/01/1988	26339.84	Fixed	Fixed			360	0	12/01/1997

Mortgage Loan Number	Mortgaged Property Address	City	State	Zip Code	Cut-off Date Balance	Mortgage Interest Rate	First Monthly Payment Date	Current Monthly Principal and Interest Payment	Mortgage Interest Rate Adjustment Frequency	Monthly Payment Adjustment Frequency	Next Mortgage Interest Rate Adjustment Date	Next Monthly Payment Adjustment Date	Original Amortization Term	Original Interest Only Months	Maturity Date
502732	72-35 112TH STREET	QUEENS	NY	11375	2534577.60	9.250000	01/01/1988	21879.41	Fixed	Fixed			360	0	12/01/1997
505990	MORICHES MIDDLE ISLAND ROAD	MANORVILLE	NY	11949	10494084.00	9.125000	02/01/1988	89609.13	Fixed	Fixed			360	0	01/01/1998
506006	6300 RIVERDALE AVENUE	BRONX	NY	10471	1149871.30	9.125000	02/01/1988	9818.77	Fixed	Fixed			360	0	01/01/1998
508879	311 EAST 51ST STREET	MANHATTAN	NY	10022	719600.51	9.750000	04/01/1988	6443.66	60 Mo.	60 Mo.	03/01/1998	04/01/1998	360	0	03/01/2018
508960	69-51 THRU 69-95 136TH	QUEENS	NY	11367	1281889.20	8.125000	04/01/1988	10063.48	Fixed	Fixed			360	60	03/01/1998
510180	149-43 35TH AVENUE	QUEENS	NY	11354	992647.87	8.375000	07/01/1988	7933.33	Fixed	Fixed			360	60	06/01/1998
510602	86-35 QUEENS BLVD., 87-22 JUSTICE BLVD.	QUEENS	NY	11424	4522580.10	8.000000	08/01/1988	37957.38	Fixed	Fixed			300	0	07/01/1998
510636	64 EAST 94TH STREET	MANHATTAN	NY	10028	1297257.00	8.000000	08/01/1988	10033.61	Fixed	Fixed			360	60	07/01/1998
511782	4633 GOVERNOR DRIVE	SAN DIEGO	CA	92122	16974785.00	7.750000	10/01/1988	128215.43	Fixed	Fixed			360	60	09/01/1998
512061	38-30 DOUGLASTON PARKWAY	QUEENS	NY	11363	703517.26	10.750000	11/01/1988	6772.71	60 Mo.	60 Mo.	10/01/1993	11/01/1993	360	0	10/01/1998
512681	145 VERMILYEA AVENUE	MANHATTAN	NY	10034	1456517.10	10.750000	12/01/1988	14012.50	60 Mo.	60 Mo.	11/01/1993	12/01/1993	360	0	11/01/1998
513937	2500 JOHNSON AVENUE	BRONX	NY	10463	11000000.00	10.250000	01/01/1989	93958.33	60 Mo.	60 Mo.	12/01/1993	01/01/1994	360	60	12/01/1998
514265	3901-03 NOSTRAND AVENUE	BROOKLYN	NY	11235	3650000.00	10.500000	01/01/1989	31937.50	60 Mo.	60 Mo.	12/01/1993	01/01/1994	360	60	12/01/1998
516161	701-784 ISRAEL ZUPNICK DRIVE	MONROE	NY	10950	904458.90	10.500000	04/01/1989	10141.67	60 Mo.	60 Mo.	02/01/1994	03/01/1994	228	0	03/01/1999
516534	132-70 SANFORD AVENUE	QUEENS	NY	11355	1237526.60	10.500000	04/01/1989	12285.00	60 Mo.	60 Mo.	03/01/1994	04/01/1994	300	0	03/01/1999
524058	301 ROBINSON AVENUE	EAST PATCHOQUE	NY	11772	2240750.80	10.000000	11/01/1989	20201.67	60 Mo.	60 Mo.	10/01/1994	11/01/1994	360	0	10/01/1999
524397	3015 ROBERTS AVENUE	BRONX	NY	10461	902801.18	10.125000	12/01/1989	8201.67	60 Mo.	60 Mo.	11/01/1994	12/01/1994	360	0	11/01/1999
524447	400 EAST 17TH STREET	BROOKLYN	NY	11226	1856835.80	10.375000	12/01/1989	17195.00	60 Mo.	60 Mo.	11/01/1994	12/01/1994	360	0	11/01/1999
524975	CRESCENT ROAD	CLIFTON PARK	NY	12601	2052272.40	10.000000	03/01/1990	18427.50	60 Mo.	60 Mo.	02/01/1995	03/01/1995	360	0	02/01/2000
525212	151 WEST 74TH STREET	MANHATTAN	NY	10023	1264456.80	9.000000	03/01/1990	12270.49	60 Mo.	60 Mo.	02/01/1995	03/01/1995	361	0	02/01/2000
525444	265 RIVERSIDE DRIVE	MANHATTAN	NY	10025	2538425.30	9.000000	05/01/1990	20920.19	60 Mo.	60 Mo.	04/01/1995	05/01/1995	360	0	04/01/2000
525568	100 MCDONALD STREET	LAFAYETTE	LA	70506	1464000.00	9.000000	05/01/1990	10980.00	60 Mo.	60 Mo.	04/01/1995	05/01/1995	360	60	04/01/2020
526384	161 ORCHARD ROAD	BRIARCLIFF MANOR	NY	10510	2514074.00	10.500000	08/01/1990	23424.00	60 Mo.	60 Mo.	07/01/1995	08/01/1995	360	0	07/01/2000
527051	10 MONROE BLVD	LONG BEACH	NY	11561	2751260.00	10.500000	09/01/1990	25620.00	60 Mo.	60 Mo.	08/01/1995	09/01/1995	360	0	08/01/2000
528836	4600 9TH AVENUE	BROOKLYN	NY	11220	1082664.20	10.500000	12/01/1990	10065.00	Fixed	Fixed			360	0	11/01/1995
528992	145 WEST 78TH STREET	MANHATTAN	NY	10039	439470.17	11.250000	01/01/1991	4492.50	Fixed	Fixed			300	0	12/01/1995
529008	138 WEST 81ST STREET	MANHATTAN	NY	10024	410172.17	11.250000	01/01/1991	4193.00	Fixed	Fixed			300	0	12/01/1995
529370	2835-2875 OCEAN AVENUE	BROOKLYN	NY	11235	3569230.30	10.250000	01/01/1991	33306.25	Fixed	Fixed			324	0	12/01/1995
529875	1300 COLLINS AVENUE	MIAMI BEACH	FL	33139	2013618.70	10.750000	03/01/1991	19851.56	Fixed	Fixed			300	0	02/01/1996
531608(3)	300 LAKE COLONY DRIVE	NORCROSS	GA	30071	2972710.50	9.000000	07/01/1991	31528.61	60 Mo.	60 Mo.	05/01/1996	05/01/1994	324	24	06/01/2001
534116	1124 RUTLAND DRIVE	AUSTIN	TX	78758	1961380.50	9.500000	07/01/1991	17014.90	60 Mo.	60 Mo.	05/01/1996	06/01/1996	360	23	06/01/2001
534115	4321 MONTGOMERY BOULEVARD	ALBUQUERQUE	NM	87109	2341346.80	9.500000	10/01/1991	20456.27	60 Mo.	60 Mo.	09/01/1996	10/01/1996	360	0	09/01/2001
12767109	150 WEST 58TH STREET	MANHATTAN	NY	10019	1353668.80	7.750000	10/01/1988	10224.65	Fixed	Fixed			360	0	09/01/1998
12994109	243 WEST END AVENUE	MANHATTAN	NY	10023	1406531.60	10.000000	12/01/1986	13175.00	Fixed	Fixed			360	0	11/01/1996
14176101	59-65 LIVINGSTON STREET	BROOKLYN	NY	11201	457212.28	10.240000	06/01/1986	4679.60	Fixed	Fixed			300	0	05/01/1996
14297105	42 AND 44 EAST 63RD STREET	MANHATTAN	NY	10021	456218.41	9.750000	11/01/1986	4480.24	Fixed	Fixed			300	0	10/01/1996
27624535	612 PATCHOGUE	PORT JEFFERSON STATION	NY	11776	2565676.00	10.250000	06/01/1991	23298.64	60 Mo.	60 Mo.	05/01/1996	06/01/1996	360	0	05/01/2001
30000343	214 EAST MAIN STREET	PORT JEFFERSON	NY	11777	263176.42	8.500000	02/01/1987	2319.38	36 Mo.	36 Mo.	01/01/1996	02/01/1996	240	0	01/01/2007
5030024177	45 JACKSON STREET AND 67 TERRACE AVENUE	HEMPSTEAD	NY	11550	956155.18	8.000000	03/01/1979	10862.80	Fixed	Fixed			273	0	02/01/1999
5030080385	320-350 EAST SHORE ROAD	GREAT NECK	NY	11023	982952.19	7.500000	05/01/1972	18742.00	Fixed	Fixed			324	0	04/01/1997
5030082571	1 BRONXVILLE ROAD	YONKERS	NY	10530	715286.18	8.625000	10/01/1987	5889.86	Fixed	Fixed			360	0	09/01/1997
5030082969	3050 FAIRFIELD AVENUE	BRONX	NY	10463	1059418.10	8.125000	09/01/1988	8273.20	Fixed	Fixed			360	0	08/01/1998
5430081041	19100 CREST AVENUE	CASTRO VALLEY	CA	94546	576906.42	8.125000	06/01/1973	14446.00	Fixed	Fixed			300	0	05/01/1998

- (1) The amortization schedule of this Mortgage Loan will adjust on July 1, 1994, resulting in a new Monthly Payment amount of \$11,042. The Pricing Assumptions assume that such change occurred as of the Cut-off Date.
- (2) This Mortgage Loan provides for payments of interest only commencing with the July 1, 1996 Monthly Payment. The Pricing Assumptions assume that this Mortgage Loan provides for Monthly Payments of interest only as of the Cut-off Date.
- (3) The Pricing Assumptions disregard the increase (to 9.5% per annum) of the Mortgage Interest Rate on this Mortgage Loan scheduled to occur on June 1, 1994.

Mortgage Loan Number	Property Type	Total Units	Total Buildings	Occupancy Percentage	Current LTV	Original Appraised Value	Net Operating Income	Net Operating Income Period Covered	Debt Service Coverage Ratio	Index	Gross Margin	Current Lockout/Prepayment Premium	Prepayment Comment Code
7773	MULTIFAMILY	60	1	100	42	1,175,000	117,705	01/01/1992 - 09/30/1992	2.4110		0.000	LOCKED OUT	A
7906	MULTIFAMILY	48	1	100	26	1,800,000	85,086	01/01/1992 - 09/30/1992	1.8244		0.000	LOCKED OUT	A
18663	COOP	19	1	100	12	3,500,000	40,235	09/01/1991 - 09/01/1992	0.9400		0.000	LOCKED OUT	A
22590	COOP	38	1	100	27	4,650,000	112,989	01/01/1992 - 12/31/1992	0.9002	5YR ADV FHLBB NY	2.500	LOCKED OUT	A
22624	COOP	58	1	100	46	5,100,000	271,205	06/01/1992 - 12/31/1992	0.9363	5YR TREAS CMT	3.000	1%	A
22863	MULTIFAMILY	6	1	100	22	62,000	12,051	01/01/1992 - 12/31/1992	3.8973		0.000	NONE	B
23010	COOP	37	1	100	34	4,200,000	152,430	01/01/1992 - 12/31/1992	1.0525	5YR ADV FHLBB NY	2.500	LOCKED OUT	A
24505	MULTIFAMILY	25	1	100	25	715,000	179,848	01/01/1991 - 12/31/1991	3.2741		0.000	2%	O
24539	MULTIFAMILY	131	1	98	65	7,300,000	612,319	01/01/1992 - 12/31/1992	1.3302		0.000	LOCKED OUT	A
25486	MULTIFAMILY	5	1	80	33	58,000	16,975	01/01/1992 - 12/31/1992	5.8558		0.000	NONE	B
27953	COOP	75	1	100	35	5,130,000	196,144	01/01/1992 - 12/31/1992	1.0058		0.000	LOCKED OUT	A
28068	MULTIFAMILY	54	1	100	41	2,400,000	196,017	01/01/1992 - 12/31/1992	1.8217	5YR ADV FHLBB NY	3.000	3%	A
418988	MULTIFAMILY	8	1	100	58	40,000	3,684	01/01/1992 - 12/31/1992	1.0766		0.000	NONE	B
423186	MULTIFAMILY	24	1	100	59	2,100,000	237,234	01/01/1992 - 12/31/1992	1.5782		0.000	LOCKED OUT	A
423368	MULTIFAMILY	78	1	99	64	1,860,000	234,019	01/01/1992 - 12/31/1992	1.7027		0.000	LOCKED OUT	A
469239	MULTIFAMILY	71	6	96	36	1,600,000	143,644	01/01/1992 - 12/31/1992	1.6157		0.000	1%	H
469734	MULTIFAMILY	68	1	100	39	1,340,000	188,805	01/01/1992 - 12/31/1992	1.9525		0.000	1%	L
470997	COOP	8	1	100	19	1,040,000	25,158	01/01/1992 - 12/31/1992	1.1261		0.000	LOCKED OUT	A
478073	MULTIFAMILY	30	1	93	41	2,405,000	200,176	01/01/1992 - 12/31/1992	2.2322		0.000	LOCKED OUT	A
479535	COOP	67	1	100	29	3,300,000	92,078	01/01/1992 - 12/31/1992	1.0202		2.500	LOCKED OUT	A
481267	MULTIFAMILY	30	1	93	67	1,860,000	172,402	01/01/1992 - 12/31/1992	1.2651		0.000	LOCKED OUT	A
482018	MULTIFAMILY	72	1	100	59	1,800,000	231,500	01/01/1992 - 12/31/1992	2.1673		0.000	LOCKED OUT	A
482893	MULTIFAMILY	5	1	100	41	1,400,000	89,850	01/01/1992 - 12/31/1992	1.3819	5YR TREAS CMT	3.000	3%	A
483107	MULTIFAMILY	132	2	99	30	6,600,000	343,167	01/01/1992 - 12/31/1992	1.5176	5YR TREAS CMT	3.000	3%	A
485243	MULTIFAMILY	16	1	100	30	600,000	54,098	01/01/1991 - 12/31/1991	1.7320	5YR ADV FHLBB NY	2.500	4%	J
487538	COOP	99	1	100	49	5,815,000	288,042	01/01/1992 - 12/30/1992	0.9424	5YR ADV FHLBB NY	2.500	1%	A
488429	COOP	355	9	100	47	20,000,000	1,050,539	01/01/1992 - 12/31/1992	1.2297		2.500	LOCKED OUT	A
489815	MULTIFAMILY	46	1	100	72	1,430,000	144,193	01/01/1992 - 12/31/1992	1.6345		0.000	1%	C
493239	MULTIFAMILY	27	1	100	32	2,450,000	109,861	01/01/1992 - 09/30/1992	1.7263		0.000	LOCKED OUT	A
493510	COOP	116	1	100	11	26,165,000	613,573	01/01/1992 - 11/30/1992	2.0395		0.000	LOCKED OUT	A
493809	MULTIFAMILY	47	2	100	65	1,650,000	218,937	01/01/1992 - 12/31/1992	1.7287		0.000	LOCKED OUT	A
494138	MULTIFAMILY	37	2	97	64	1,300,000	139,258	01/01/1992 - 11/30/1992	1.3976		0.000	LOCKED OUT	A
494351	MULTIFAMILY	37	1	100	49	3,200,000	234,124	01/01/1992 - 12/31/1992	1.1855		0.000	LOCKED OUT	A
494658	MULTIFAMILY	35	2	100	63	900,000	171,145	01/01/1992 - 12/31/1992	2.6268		0.000	LOCKED OUT	A
494682	MULTIFAMILY	46	1	100	64	4,600,000	356,521	01/01/1992 - 12/31/1992	1.1351		0.000	LOCKED OUT	A
494724	COOP	85	1	100	64	2,600,000	233,366	01/01/1992 - 12/31/1992	1.2315		0.000	LOCKED OUT	A
494971	COOP	46	1	100	65	2,600,000	185,298	01/01/1992 - 12/31/1992	0.9983		0.000	LOCKED OUT	A
494989	COOP	25	1	100	53	1,250,000	77,171	01/01/1991 - 12/31/1991	1.0948		0.000	LOCKED OUT	A
494997	COOP	39	2	100	66	1,800,000	120,272	01/01/1992 - 12/31/1992	0.9214		0.000	LOCKED OUT	A
495010	COOP	69	3	100	35	3,400,000	76,512	01/01/1991 - 11/30/1992	0.6376	5YR TREAS CMT	3.000	3%	A
495580	COOP	106	1	100	30	13,500,000	479,831	01/01/1991 - 12/31/1991	1.1504		0.000	LOCKED OUT	A
495986	MULTIFAMILY	440	110	91	69	9,000,000	910,138	01/01/1992 - 12/31/1992	2.0801		0.000	LOCKED OUT	A
496364	MULTIFAMILY	74	1	99	68	1,400,000	179,393	01/01/1992 - 12/31/1992	1.8470		0.000	LOCKED OUT	A
496562	MULTIFAMILY	264	13	100	70	12,800,000	1,142,987	01/01/1991 - 12/31/1991	1.1915		0.000	LOCKED OUT	A
496570	MULTIFAMILY	216	14	100	47	15,500,000	952,466	01/01/1991 - 12/31/1991	1.2194		0.000	LOCKED OUT	A
496588	MULTIFAMILY	220	12	100	73	10,030,000	935,147	01/01/1992 - 12/31/1992	1.2053		0.000	LOCKED OUT	A
496760	COOP	55	1	100	58	2,925,000	162,337	01/01/1992 - 12/31/1992	0.9794		0.000	LOCKED OUT	A
496836	MULTIFAMILY	420	18	100	58	11,040,000	1,535,481	01/01/1992 - 12/31/1992	2.2523		0.000	LOCKED OUT	A
497156	MULTIFAMILY	150	5	97	59	5,450,000	395,997	01/01/1992 - 12/31/1992	1.1638		0.000	LOCKED OUT	A
497321	MULTIFAMILY	23	1	96	54	2,295,000	171,509	01/01/1992 - 12/31/1992	1.0906		0.000	LOCKED OUT	A
497503	MULTIFAMILY	124	1	97	38	4,050,000	521,924	01/01/1992 - 12/31/1992	3.2012		0.000	LOCKED OUT	A
497511	MULTIFAMILY	127	1	100	37	4,150,000	502,904	01/01/1992 - 12/31/1992	3.0796		0.000	LOCKED OUT	A
497750	COOP	64	4	100	71	4,000,000	294,668	01/01/1992 - 12/31/1992	0.9661		0.000	LOCKED OUT	A
497875	MULTIFAMILY	280	14	99	72	16,550,000	1,609,554	01/01/1991 - 12/31/1991	1.2922		0.000	LOCKED OUT	A
498154	MULTIFAMILY	727	30	97	64	29,250,000	2,647,959	01/01/1992 - 12/31/1992	1.4250		0.000	LOCKED OUT	A
498238	MULTIFAMILY	376	47	86	53	13,900,000	965,075	01/01/1992 - 12/21/1992	1.2185		0.000	LOCKED OUT	A
499327	COOP	79	1	100	49	3,500,000	212,947	01/01/1992 - 12/31/1992	1.2875		0.000	LOCKED OUT	A
499426	MULTIFAMILY	192	24	95	66	6,500,000	715,122	01/01/1992 - 12/31/1992	1.6537		0.000	LOCKED OUT	A
499822	COOP	135	1	100	21	6,515,000	268,384	01/01/1992 - 12/31/1992	1.9260		0.000	LOCKED OUT	A
501577	MULTIFAMILY	96	8	99	68	4,500,000	391,201	01/01/1992 - 12/31/1992	1.2377		0.000	LOCKED OUT	A
502732	COOP	89	1	100	69	3,660,000	338,947	01/01/1992 - 12/31/1992	1.2910		0.000	LOCKED OUT	A
505990	MULTIFAMILY	280	14	99	69	15,100,000	1,609,554	01/01/1991 - 12/31/1991	1.4968		0.000	LOCKED OUT	A
506006	COOP	64	1	100	36	3,200,000	131,018	01/01/1992 - 12/31/1992	1.1120		0.000	LOCKED OUT	A
508879	MULTIFAMILY	7	1	100	38	1,900,000	106,508	01/01/1991 - 12/31/1991	1.3774	5YR TREAS CMT	2.750	NONE	B
508960	COOP	82	4	100	36	3,600,000	133,782	01/01/1992 - 11/30/1992	1.1078		2.500	LOCKED OUT	A
510180	COOP	70	1	100	50	2,000,000	100,796	01/01/1992 - 12/31/1992	1.0588		2.500	LOCKED OUT	A
510602	MULTIFAMILY	264	2	100	53	8,565,000	954,018	01/01/1992 - 12/31/1992	2.0945		2.500	LOCKED OUT	A
510636	COOP	48	1	100	43	3,000,000	140,110	01/01/1992 - 11/30/1992	1.1637		2.500	LOCKED OUT	A
511782	MULTIFAMILY	542	89	94	69	24,700,000	2,240,132	04/01/1991 - 03/31/1992	1.4560		2.500	LOCKED OUT	A

Mortgage Loan Number	Property Type	Total Units	Total Buildings	Occupancy Percentage	Current LTV	Original Appraised Value	Net Operating Income	Net Operating Income Period Covered	Debt Service Coverage Ratio	Index	Gross Margin	Current Lockout/Prepayment Premium	Prepayment Comment Code
512061	COOP	32	1	100	70	1,011,500	83,800	01/01/1992 - 12/31/1992	1.0311	SYR ADV FHLBB NY	2,500	NONE	A
512681	MULTIFAMILY	37	1	92	58	2,500,000	249,599	01/01/1991 - 12/31/1992	1.4844	SYR ADV FHLBB NY	2,250	NONE	A
513937	COOP	338	1	100	42	26,500,000	1,275,574	01/01/1992 - 12/31/1992	1.1313	SYR ADV FHLBB NY	2,500	1%	A
514265	COOP	245	1	100	41	8,800,000	428,303	01/01/1992 - 12/31/1992	1.1176	SYR ADV FHLBB NY	2,500	1%	A
516161	MULTIFAMILY	49	3	92	57	1,600,000	142,838	01/01/1991 - 12/31/1991	1.1737	SYR TREAS CMT	3,000	1%	A
516534	MULTIFAMILY	77	1	92	54	2,300,000	171,885	01/01/1992 - 12/31/1992	1.1660	SYR TREAS CMT	3,000	1%	A
524058	MULTIFAMILY	81	5	96	70	3,200,000	280,721	01/01/1992 - 12/31/1992	1.1580	SYR TREAS CMT	3,000	3%	A
524397	MULTIFAMILY	48	1	98	64	1,400,000	127,442	01/01/1992 - 12/31/1992	1.2949	SYR TREAS CMT	3,000	3%	A
524447	COOP	81	1	100	55	3,400,000	210,417	09/30/1992 - 12/31/1992	1.0198	SYR TREAS CMT	3,000	3%	A
524975	MULTIFAMILY	96	8	94	59	3,500,000	266,331	01/01/1992 - 12/31/1992	1.2044	SYR TREAS CMT	3,000	3%	A
525212	COOP	46	1	100	42	3,000,000	105,314	01/01/1989 - 12/31/1989	0.7152	SYR TREAS CMT	3,000	3%	A
525444	COOP	75	1	100	49	5,200,000	249,603	08/25/1992 - 12/31/1992	0.9943	SYR TREAS CMT	3,000	4%	A
525568	MULTIFAMILY	176	11	98	77	1,900,000	357,740	01/01/1992 - 12/31/1992	2.7151	SYR TREAS CMT	2,500	NONE	B
526384	MULTIFAMILY	60	3	98	48	5,250,000	350,132	01/01/1992 - 12/31/1992	1.2456	SYR TREAS CMT	3,000	4%	A
527051	MULTIFAMILY	104	1	97	66	4,200,000	521,999	01/01/1992 - 12/31/1992	1.6979	SYR TREAS CMT	3,000	4%	A
528836	MULTIFAMILY	84	1	100	47	2,300,000	171,793	01/01/1992 - 09/30/1992	1.4224		0,000	LOCKED OUT	A
528992	MULTIFAMILY	10	1	100	55	800,000	77,234	01/01/1992 - 12/31/1992	1.4326		0,000	1%	E
529008	MULTIFAMILY	10	1	100	53	780,000	90,087	01/01/1992 - 12/31/1992	1.7904		0,000	LOCKED OUT	A
529370	MULTIFAMILY	200	1	100	60	5,900,000	476,703	01/01/1992 - 12/31/1992	1.1927		0,000	NONE	F
529875	MULTIFAMILY	49	1	100	73	2,750,000	313,832	01/01/1992 - 12/31/1992	1.3174		0,000	NONE	G
531608	MULTIFAMILY	188	11	91	68	4,400,000	408,409	01/01/1992 - 12/31/1992	1.0795	SYR TREAS CMT	3,000	NONE	B
531616	MULTIFAMILY	200	19	88	53	3,720,000	441,334	01/01/1992 - 12/31/1992	2.1615	SYR TREAS CMT	3,000	NONE	B
534115	MULTIFAMILY	228	17	100	51	4,600,000	434,254	01/01/1992 - 12/31/1992	1.7690	SYR TREAS CMT	3,000	NONE	N
12767109	MULTIFAMILY	57	1	88	28	4,800,000	159,515	01/01/1991 - 12/31/1991	1.3001		2,500	LOCKED OUT	A
12994109	COOP	190	1	100	22	6,360,000	275,352	01/01/1991 - 12/31/1991	1.7416		0,000	LOCKED OUT	A
14176101	MULTIFAMILY	43	1	100	24	1,920,000	106,917	01/01/1992 - 12/31/1992	1.9040		0,000	LOCKED OUT	A
14297105	MULTIFAMILY	33	2	100	27	1,700,000	98,205	01/01/1991 - 12/31/1991	1.8266		0,000	LOCKED OUT	A
27624535	MULTIFAMILY	54	5	98	62	4,155,000	435,056	01/01/1992 - 11/30/1992	1.5561	SYR TREAS CMT	3,000	3%	I
30000343	MULTIFAMILY	6	1	100	66	400,000	44,939	01/01/1992 - 12/31/1992	1.6146	PRIME	2,500	NONE	B
5030024177	MULTIFAMILY	173	2	96	46	2,100,000	192,443	01/01/1992 - 12/31/1992	1.4763		0,000	NONE	B
5030080385	COOP	86	1	100	27	3,650,000	337,654	01/01/1992 - 12/31/1992	1.5013		0,000	1%	D
5030082571	COOP	109	1	100	18	4,000,000	79,827	01/01/1992 - 11/30/1992	1.1294		0,000	LOCKED OUT	A
5030082969	COOP	73	1	100	29	3,600,000	123,302	01/01/1992 - 11/30/1992	1.2420		2,500	LOCKED OUT	A
5430081041	COOP	108	12	100	23	2,500,000	283,887	01/01/1992 - 11/30/1992	1.6376		0,000	1%	K

PREPAYMENT CODES DESCRIPTION:

A* - L/O YRS 1-3, 6-8; 4% START; 1% DECLINE EVERY 6 MO
B - NO PREPAYMENT PENALTY
C - 3% LESS 1½% PER YR FROM ORIG FOR PREPMT > 15% PRIN
D - 3% START; 5% PER YR; 1% TO TERM
E - 4% START; 1% DECLINE 6 MOS; 1% TO TERM

F - 4% START, 1% PER 6 MO; PENALTY EXPIRES 11/1/95
G - 4% START; 1% PER 6 MO; NO PENALTY FOR NOV 95 P/O
H - 5% START; DECLINE .5% PER YR; 1% TO MATURITY
I - 5% TO START; DECLINING 1% PER YEAR
J - CAN PPY AFTER 12/1/89; 10% START, DECL. 2% PER YEAR

K - DECLINING ½% PER YR. FROM 4%-1%, 1% TO MATURITY
L - L/O FOR 13 YRS; 5% DECLINE .5% PER YR. TO 1%
M - NO PEN TO 8/93; L/O YRS 6-8; 4% BEG; 1% DECL PER 6 MO
N - NO PPYPEN THRU 8/30/94; THEN 4%; 1% DECL EVERY 6 MO
O - PPY PEN 3% FROM 10/21/82 - 10-/21/87; THEN 2% TO MATURITY

* Prepayment without penalty permitted two months or three months prior to reset and in some cases prior to maturity.

No dealer, salesman or other person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this Prospectus Supplement, the Multifamily REMIC Prospectus, the MBS Prospectus, and the Information Statement and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus Supplement and the aforementioned documents do not constitute an offer to sell or a solicitation of an offer to buy any of the Certificates offered hereby in any state to any person to whom it is unlawful to make such offer or solicitation in such state. The delivery of this Prospectus Supplement and the aforementioned documents at any time does not imply that the information contained herein or therein is correct as of any time subsequent to the date hereof or thereof.

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\$230,300,000

Federal National Mortgage Association



**Guaranteed ACESSM
REMIC Pass-Through
Certificates**

**Fannie Mae Multifamily
REMIC Trust
1993-M1**

PROSPECTUS SUPPLEMENT

Merrill Lynch & Co.

September 24, 1993